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NEWS SUMMARY

GENERAL

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...e Cultural Revolution, closely associated with ...chi, former Head of ...o was criticised for ...posed advocacy of ...n. Ominously, Teng has ...eported in public since ...ai's funeral. Back Page

...n bombs ...ning

...a Volunteer Force, admitted planting a Oxford Circus under-...tion on Friday, has no with the IRA, accord-...s. Maire Drumm, vice-... of Provisional Sinn ...ice believe Saturday's ...e the Victoria Sport-...n London could herald ...ern of indiscriminate ...ks by Irish extremists. ...sposal men defused an device at a children's at Lisnaskea, Co. ... In Belfast, a man ...ead and two injured ...ny patrol after they ...dnap two pedestrians. ... Dr. Conor Cruise Minister for Posts, ... Left-wingers for terrorists "romantic ...

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...r Party in Scotland. ...rkable about-turn on ...is to press the ...t to concede more the proposed Scottish by giving it full con-... recently created Scot-...opment Agency. It to deprive the Scottish of his power to veto legislation. Page 4

...ant heroes

...ospective British mer-...or Angola backed out ... minute at Heathrow ...ust before they were ...a flight to Kinshasa. ...t were booked to fly ...to catch their con-... the Zaire capital. But ...ed a row developed ...ets and pay.

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...gh police are hunt-...en who attacked a ... manager, robbing ...ut £18,000.

...ler wins the weekly ...mium Bond prize, ...B 580066.

...Kissinger is to due to ...racas, Venezuela, this ...the first stop of his ...ed visit to Latin ...

BUSINESS

CBI: 'cut income tax at expense of VAT'

● **SUBSTANTIAL CHANGES** in corporation tax and income taxation are to be proposed to Mr. Healey by the Confederation of British Industry.

The estimated cost of more than £800m. could be met by raising the standard rate of Value Added Tax to 10 per cent., it claims.

The ideas come from a confidential report from the CBI's economic policy committee to be presented at the Confederation's council meeting on Wednesday. Page 8

● **JAPANESE** business recovery is now officially acknowledged to be almost wholly dependent on improving export performance—a sharp contrast to previous pronouncements. Page 5

● **CANADIAN** Government is faced with the threat of a nationwide strike over its programme of price and wage controls. The labour movement has been angered by a decision upholding the 14 per cent. pay rise ceiling. Page 5

EEC to approve Irish loan

● **FINANCE MINISTERS** of the EEC will formally approve a Common Market-backed $300m. loan for Ireland at their Brussels meeting to-day. They may also hear from Italy of her formal interest in receiving a much larger community-guaranteed loan. Page 5

● **BRENT FIELD**, the Shell/Esso North Sea gas find could be the source of ethane for a proposed £100m. chemical complex planned for Scotland by Dow Chemical Company. Back Page

● **MACHINE TOOL** manufacturers are hoping to persuade the National Enterprise Board to include provisions for the deferment of interest payments on NEB loans as part of the stockpiling scheme it is constructing. Page 4

● **U.K. MECHANICAL** engineering output is expected to grow by 6 per cent. in 1977, after falling for three years, according to an outside forecast. Page 25

● **MINERS** became more deeply divided over the week-end on the issue of the proposed national overtime ban. More of the moderate NUM regions voted to ignore the union executive's instruction. Back Page

Impartiality questioned

● **IMPARTIALITY** of the Government's Advisory, Conciliation and Arbitration Service is being questioned by the Confederation of Employee Organisations, which represents some 30 staff associations and company unions outside the TUC. Page 9

● **TENNECO**, a major U.S. company with extensive oil, chemicals and natural gas interests, has disclosed to the Securities and Exchange Commission details of "sensitive payments" made over the past few years. Back Page, Lockheed Feature Page 14

● **P & O** profits for the 15 months to end-December 1975, due to be announced this week, are likely to be lower than the group's June forecast of £34m. Best indications give a figure rather below £30m. Back Page

● **SLATER WALKER** Securities has issued a second writ, claiming repayment of the $16.5m. balance of the disputed $29m. (£14.5m.) loan owing to it from Singapore-based Haw Par Brothers International.

A writ was issued last month for the initial $12.5m., which fell due on January 22 and was not paid.

● **DAF TRUCKS**, the Dutch lorry manufacturers, may have to cut 739 jobs this year in a slimming operation recommended by a special commission Page 17

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Kuwait to buy 150 Chieftain tanks in £100m. deal

BY RICHARD JOHNS AND ROBERT GRAHAM Kuwait, Feb. 15

Kuwait has agreed to buy 150 Chieftain tanks from Britain, according to reports here, and thus becomes the first Arab nation to be allowed to purchase Chieftains. No formal announcement has been made by the Government yet, but the deal is understood to be worth in the region of £100m. to £105m. Included are accessories and spare parts and a training programme.

Won in the face of competition from the U.S. and France—offering the M-60 and Amex 30 respectively—it has been placed as part of the programme for expanding the diminutive state's armed forces.

In 1974, a sum equivalent to $1.3bn. was voted by the National Assembly as a supplementary budget for new equipment purchases. Although it was originally supposed to be for a seven-year period, the sum has been completely exhausted and the Government is planning a fresh allocation.

Towards the end of last year the National Assembly approved legislation for national service. Some 1,000 Kuwaitis are currently on military courses abroad, training on new weaponry, mostly in the U.S.

Kuwait has ordered American A-4 Skyhawk fighter-bombers (in preference ot the only slightly more expensive British version of the Jaguar) and 36 Mirage F-1 interceptors to replace its ageing Lightning fighters supplied some seven to eight years ago.

There may now be a chance that the Kuwaiti Air Force could be interested in the Hawker-Siddeley Hawk jet-trainer and ground attack aircraft

Kuwait is also in the market for ships, having taking the decision to establish its own navy. A contract for construction of a base south of Kuwait town, at an estimated cost of £150m., is expected to be awarded soon. Brian Colquhoun and Partners are consultants for the project.

Iran doubts

The Chieftain contract comes at a time when Britain has almost fulfilled its original contract to supply Iran with 664 Chieftains, of which about 600 have been delivered.

However, there are doubts about Iran going ahead with its full commitment for a further 1,200 of the heavy battle tanks.

Kuwait's armament programme was seemingly prompted by the border clash in 1973 with Iraq, which lays claim to part of Kuwaiti territory.

Official Kuwaiti policy seems to be summed up in an interview given last autumn by Sheikh Saad al Abdullah, Minister of Interior and Defence, when he said: "The role of Kuwait's army transcends the country to extending military support to Arab lands undergoing foreign aggression." In the event of another conflict with Israel, the state would probably feel obliged to give at least token support to an Arab war effort.

Sheikh Saad explained: "Our policy is to purchase suitable arms from any available source, provided we can determine the types convenient to us and provided that the source does not impose any conditions or limitations upon concluding the arms purchases." This would suggest that no restriction is being put by the U.K. on their use of the Chieftains.

Last September, in an apparent effort to diversify sources of arms, the Kuwait military delegation went to Moscow for talks which were taken up in the following month by Sheikh Sabah al Ahmed Sabah, Foreign Minister, in the Soviet capital. Subsequently, it was announced that agreement on the purchase of sophisticated weapons had been reached.

However, a protocol drawn up is believed to cover specifically only the provision of artillery. The real purpose of the exchanges may have been designed to force the hand of the U.S. Government which, under pressure from Congress, was reluctant to supply Kuwait with an advanced form of Sidewinder air-to-air missiles.

The Chieftain is made at Elswick, Northumberland, by Vickers Engineering and at Leeds in one of the Royal Ordnance factories — each organisation produces about half the total. But many smaller component manufacturers are also involved since the Vickers and RA operations are primarily assembly plants. The engines for the tank are manufactured by British Leyland.

Iran cuts crude oil price to boost flagging sales

BY RAY DAFTER, ENERGY CORRESPONDENT

IRAN has cut the price of its heavy crude oil by 9.5 cents a barrel in a bid to recapture some of its lost market. The move is a belated acknowledgment that Iranian oil was overpriced in the current depressed market conditions, particularly as Saudi Arabia and Kuwait made similar reductions last autumn.

This latest adjustment, widely expected in the oil industry, cut the price of Iranian heavy crude to $11.40 a barrel. But the cut may not be big enough to give Iran the boost in sales it is seeking.

The new price is still 10 cents more than that now being charged by Kuwait following its 17 cents a barrel reduction on October 1. Saudi Arabian supplies of Arab medium crude is 7 cents cheaper.

Furthermore, there has been speculation in the oil industry that Kuwait, still with unsold crude, is under pressure from some of its direct-sale clients to reduce its price even further.

The extent of discount pricing is in contradiction to the aims of OPEC. Price maintenance was the main reason for the establishment of the Organisation and remains one of its basic objectives.

Consequently, some of the OPEC members are anxious about the current trend. An attempt earlier this year to reconvene the terrorist-disrupted meeting in Vienna last December was abandoned. The meeting, originally called to discuss pricing differentials, was said by some—Algeria, Libya, and Indonesia in particular—to be pointless in the current situation.

Recovery

As a result the present ad hoc pricing arrangements are likely to remain until the summer when the next meeting of OPEC Ministers is due to be held in Djakarta. By then worldwide oil demand should be recovering.

The Iranian action, which is likely to be announced officially by the National Oil Company in the U.S. later to-day, has been taken with reluctance in the light of a serious drop in demand. Production was down 11.2 per cent. last year compared with 1974. Iran had attempted to stand firm against price-cutting and was planning to put its case at the abandoned OPEC meeting, due to have been held earlier this month.

Iran is the Middle East's second largest oil producer with an output last year of 5.35m. barrels a day. Its crude is of the heavy type which has been particularly hit by the slump in fuel oil demand arising out of the worldwide economic recession. Iran's position was made worse by the lower prices being charged elsewhere within producing states.

The belated move by Iran follows a considerable diplomatic campaign aimed at encouraging oil companies to lift more of its crude. Pressure was put on the British, French and U.S. governments in particular, for it was felt they might influence companies in the Western-owned oil consortium.

British Petroleum, with a 40 per cent. share of the operation, is the leading member of the consortium. The company was making no comment on the price reduction although, on the basis of recent liftings, it should mean a cut in costs of around $129,205 (£63,805) a day. According to Petroleum Intelligence Weekly, consortium liftings were at the rate of 3.4m. barrels a day in the fourth quarter of last year.

Other members of the consortium, which operated Iran's main producing fields until 1974 when they were formally taken over by the Government, are: Royal Dutch-Shell Group (14 per cent.); Compagnie Francaise de Petroles (6 per cent.) and a group of U.S. majors and independents. The U.S. companies include Exxon, Standard Oil of California, Texaco and Mobil, while the independents are grouped under the umbrella of IRICON.

Mr. Amir Abbas Hoveida, the Iranian Prime Minister, has accused these companies of "flagrant violations of their agreements." He claimed that their average liftings last year

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Agreement near on Guyana takeover of Booker assets

BY STEWART FLEMING

BOOKER McCONNELL'S sugar and trading assets in the South American State of Guyana, valued in the company's books at £19m. and accounting for 43 per cent. of its 1974 profits, are likely to be nationalised as a result of talks between the company and the Guyanese Government due to start within the next three weeks.

A joint statement yesterday said that it was impossible to indicate what compensation may be agreed, and in particular how much would be paid in cash and how much on deferred terms.

Last year, when the Guyana Government nationalised the sugar interests of Jessel Securities, it paid the company £3m., of which £1m. was cash. The remainder is to be paid over 10 years out of the profits of the business acquired.

Booker will no doubt be hoping that because of the scale of operations in Guyana, it will be able to negotiate more favourable terms.

Sir George Bishop, chairman of Booker, denied yesterday that nationalisation would seriously damage the company.

He drew attention to the forecast of Booker's 1975 profits in the joint announcement.

Revenue

This says that "notwithstanding the adverse swing (£2m.) between the results of the Guyana companies for 1974 and those estimated for 1975, the Board of Booker McConnell is of the opinion that the results for the group as a whole in 1975 will be comparable to those of 1974."

In view of the scale of the Government levy on its sugar operations in 1975—which has taken £33m. of the company's £57.5m. sugar revenue—it would have been damaging if nationalisation talks had not taken place.

Booker McConnell's importance to the Guyanese economy is easily illustrated. It is the biggest single-employer, with 22,000 staff, its output accounts for around a fifth of the country's gross national product, and it is the biggest foreign exchange earner.

To some observers, it would seem surprising that a move to nationalise the business by Mr. Forbes Burnham's increasingly Marxist-Leninist-inclined Government has been so long delayed.

The country's other major natural resource is bauxite.

With the completion last year of the nationalisation of the foreign-owned companies engaged in this business, Alcan, and Reynolds Metals, Booker's position as the last large foreign-controlled business has become increasingly exposed.

Booker itself has been preparing for yesterday's announcement for almost a decade.

Ten years ago, some three-quarters of its business was in Guyana. At that time, it began a diversification policy which has taken it into sugar production and consultancy in a wide range of developing countries outside Guyana, including Nigeria.

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See also Page 16

S. Africa may seek talks on Angola

BY STEWART DALBY

CAPETOWN, Feb. 15.

THERE ARE growing signs here that South Africa is softening its attitude on Angola and is signalling that it is prepared immediately to negotiate over what it terms its "interests" in the southernmost part of the country.

Informed sources said to-day that the Cabinet would probably discuss recognition of the MPLA government in Luanda at its next meeting on Tuesday.

The condition that the Government will make absolutely contingent upon this recognition, according to the sources, is that the MPLA government will recognise the "integrity" of the South African Government and its "legal and legitimate interests" in what South Africa calls "the operational area" in South Africa.

By this, the Republic means the South-West Africa (Namibia) border and the Cunene River Dam and irrigation projects.

Part of the Cunene River runs into Angola and the dam itself is in southern Angola.

South African sources admit that 5,000 South African troops are in the operational area but there could be many more if the important base at Grootfontein, 120 miles from the Angolan border, is taken into account.

Signals to-day presaging an apparent change in South Africa's attitude came on the heels of reports that Dr. Hilgard Muller, the country's Foreign Minister, has shown interest in an interview in the French newspaper Le Monde with the MPLA Foreign Minister, Mr. Jose Eduardo dos Santos.

In it, Mr. Dos Santos was quoted as saying that, providing South Africa is prepared to recognise MPLA sovereignty over Angola, it is possible that the MPLA can negotiate conditions for security of South African interests.

Zambia move

In Lusaka, President Kenneth Kaunda said that Zambia was seriously considering recognising the Soviet-backed MPLA as the Government of Angola.

But he told a meeting of the ruling UNIP, Zambia was not going to be stampeded into making decisions which are against its principles.

Zambia is one of the few members of the OAU which has not yet recognised the MPLA.

TUC policy condemned

CBI plan for participation deal laws

BY JOHN ELLIOTT

PLANS FOR Britain's largest 700 companies to be required by law to introduce "participation agreements" covering their employees within the next four years are to be considered on Wednesday by the CBI's Grand Council.

The proposals, which mark a potentially major advance in CBI policy on worker participation, include a wholesale condemnation of the TUC's policy for trade union-based worker-directors.

They are outlined in a draft policy document circulating privately among the 400 members of the Grand Council, and are intended to form the basis of the CBI evidence to the Government's Bullock Inquiry on industrial democracy in the private sector.

The main theme of the document is that the CBI should ensure that "decision-making in industry is with the consent of the employees involved." This amounts to an effort by the CBI's two main policy committees involved — covering employment and company affairs —to come to terms with the fact that the Government is pledged to legislate on industrial democracy.

The draft document explains that its proposals are therefore aimed at stopping "industry's case going by default."

The proposals will find little favour with the TUC because of their line on worker-directors and because the CBI's basic idea is of participation by all employees and not trade union members alone. The CBI does not envisage, contrary to the TUC view, participation amounting to an extension of traditional "confrontation" collective bargaining.

The CBI proposal is that the 700 companies employing more than 2,000 people should negotiate "participation agreements" with their employees within a four-year period.

The emphasis would be on plant level rather than corporate participation. Smaller companies down to 500 or more employees might be covered by the proposed new laws later.

While there is nothing to stop companies negotiating such agreements immediately, the CBI proposes fall-back statutory arrangements relying for their legislative bite on statutory arbitration providing a legally binding agreement where no voluntary arrangement had been reached by the end of the four-year period.

The CBI says in its document that its ideas will not necessitate any change in practice for some companies which already have consultative arrangements.

Five main objectives laid down are basically limited to ensuring that employees understand and are aware of why decisions are taken. Only extremely limited involvement in actual decision-taking is envisaged.

The terms of reference for the Bullock Inquiry are slanted in favour of the TUC's own proposals, and the CBI's draft document, presumably reacting to this, goes out of its way to condemn worker-directors in general and the TUC's ideas in particular.

"We consider the TUC proposals on industrial democracy to be concerned not with genuine participation but with control. The fundamental question of business efficiency is ignored. The effect of these proposals would be devastating for the U.K. economy. We are firmly of the view that they should be rejected."

It says of worker directors: "We do not consider that employee representation at Board level necessarily has an important role in the extension of greater participation . . . . Any suggestion that employee participation necessarily involves emplpoyee delegates on Boards must be refuted."

The CBI acknowledges that some companies may wish to agree some form of worker-director arrangement with their employees, and propose that such directors should not take up more than one-third of a Board's seats, and that they should fully share the responsibilities of normal directors.

Corporation Tax changes urged, Page 8

First planning agreement soon

THE FIRST planning agreement, with either British Leyland or Chrysler, is expected to be announced early next month by the Department of Industry. Talks in the three months since the Government selected sectors to tackle have revealed considerable watering-down of the original concept, writes Adrian Hamilton.

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LOMBARD

Oscar Awards—the 1975 list

BY C. GORDON TETHER

THE Oscar Awards division of the Lombard Advisory Committee has now completed what it describes as "an exceptionally taxing" examination of the nominations for what was most outstanding in the economic and financial senses during the past year. I have pleasure in presenting its report:

Best all-round performance. The Committee points out that 1975 was a year in which good overall performances were again conspicuous mostly by their absence. In the industrialised section, it came down in favour of Sweden. It points out that, though Sweden was not quite so successful as some other countries in reducing the rate of inflation, it managed to break through into single figures and did so without materially increasing the level of unemployment—an exceptional achievement in 1975—and while keeping the balance of payments in reasonably good shape. The runner-up in this section was Austria.

The award for the "oil-rich countries" goes to Venezuela. This was for striving to adapt the economy to the situation created by the upsurge of oil revenues so as to maximise the assistance afforded to future growth, while improving the country's immediate health by substantially reducing the rate of inflation.

In the developing countries group, the award is taken by the Philippines for an economic performance that was so successful in attacking inflation and other problems—the pace of the rise in prices was cut to less than 4 per cent. in the second half of 1975—that it earned the highest praise from aid-giving countries.

Star currency. This was again won easily by the Swiss franc, it having continued "to command a value in terms of other currencies some two-thirds beyond that which it had in the early 1970s in spite of immense efforts by the Swiss authorities to restrain its advance."

* * *

Banker of the world. The award goes to Dr. Guido Carli, who resigned as governor of the Bank of Italy after a 15-year spell in office. The committee points out that, showing an admirable disregard for central banking orthodoxy, he made great efforts during this time to get his country to face up to realities and at the same time did his utmost to encourage constructive dialogue on international financial issues in the world at large.

Central bankers' stand-fast prize. This award goes to Mr. Larre, head of the Bank for International Settlements, for undertaking to handle the liquidation of IMF gold—thereby providing the foundation-stone of a new gold-convertibility system that will be under the control of his bank's central banker customers.

* * *

Most unpopular success story. Japan wins this award for achieving a productivity superiority in almost everything from motor cycles to oil tankers that often makes it impossible for other countries to compete with her in world markets.

The most over-optimistic statement. The oft-repeated assertion by Mr. Wedgwood Benn during the EEC referendum campaign that the anti-Market cause with which he was identified was certain to bring off a handsome win notwithstanding the fact that the opinion polls were pointing to a two-to-one defeat—which is what it actually suffered.

Biggest disappointment. The fact that the referendum on British membership of the Common Market "fell victim to stage management by vested interests which both significantly distorted the outcome and raised serious doubts as to whether direct consultation with the people would improve the functioning of democracy in the British case."

Most wanton behaviour. The Committee came down in favour of the U.S. Treasury for going out of its way to encourage a fall in the price of gold, knowing that this would materially reduce the benefit that poverty-stricken countries derived from the special fund to be created out of liquidation of IMF metal.

Most spectacular about-turn. This award goes to the Wilson Government for announcing in the middle of 1975 that it was enforcing a £6 a week limit on pay increases, after having repeatedly asserted over the previous eighteen months that any attempt to go back on free collective bargaining would have disastrous consequences.

Greatest sophistry. This is taken for the second year in succession by Mr. Callaghan, the Foreign Secretary. This time he receives it for complaining bitterly about the Tindeman plan for a two-tier approach to European integration, while fostering the impression that Britain has no great enthusiasm for participating in the more advanced forms of EEC unification.

Most embarrassing disclosure. The Crown Agents organisation—which invests overseas official holdings of sterling—receives this award. This is for the disclosure that it had sustained vast losses as a result of being induced to stray from its traditional straight and narrow investment path into the secondary banking jungle—losses which would largely have to be made good by the taxpayer.

Most inopportune faux-pas. This goes to President Ford for naming the wrong man when toasting his "Head of State" host at a banquet in a foreign country.

THE WEEK IN THE COURTS

Profession that shows a dirty face

BY JUSTINIAN

WHY DID THE Government yield to the blandishments of the anti-lawyer brigade to set up a Royal Commission on the legal profession, in the teeth of spirited opposition from the Lord Chancellor? It is an intriguing question, and not just for the political historian.

What prompted the Prime Minister and his cabinet colleagues to put the lawyers under the public searchlight may have a direct bearing on what the Commissioners discover is the nature and scope of the task they face.

Lawyers are supposedly not a popular breed, and particularly so in this country. Indeed they are less in evidence in our public life than in any other Western democracy. Only two lawyers in our modern history have become Prime Ministers Asquith and Lloyd George, although the profession is grossly over-represented in Parliament.

An English lawyer who seeks to enter public life, with a view to gaining prominence beyond being just a back-bencher, has first to overcome the handicap of being a lawyer: it is almost as if he has to apologise for coming to public affairs with the incubus of the legal mould. Parliamentary success by a lawyer is hailed as a triumph of mind over matter, and evokes the kind of admiration that we bestow on a dog that can walk on his hind legs.

The English, generally wary of any professional people, reserve their greatest caution for the lawyer. He is supposed to be endowed with the caste of mind that is incurably incapable of contemplating social change. In an era of profound social change the lawyer is thus the recalcitrant child to be whipped into line.

Aiding the poor

It is the social and political change of the post-war years that has tended to isolate the legal profession even more from the mainstream of society. In the atmosphere of change lawyers generally become even more entrenched in their own world, and hence play less part in our national life.

For some years now the profession has presented a dirty face. In that kind of climate a Royal Commission sooner or later was inevitable, if only to discover whether the image is veneer all through. But is the ponderous exercise of a Royal Commission really necessary?

It is beyond refutation that there are some important areas of our legal system that need urgent reform. Access to legal services by the poor and in the deprived areas is an acknowledged problem.

The legal profession, nurtured in a system concerned almost exclusively with distributive justice (of determining property rights as between citizen and citizen) has largely neglected the advice and assistance that large numbers of largely propertyless citizens need in obtaining their rights against Government, both national and local.

The recent growth of the neighbourhood law centres, staffed by socially-conscious young lawyers aware of the inherent worth of our legal institutions and of the challenge to the profession, is evidence that lawyers have tried to meet the unmet social need.

The centres are unstructured and ill-disciplined. They are also terribly under-financed. But the Government is well aware of the problem, and the size and nature of it. The Lord Chancellor's Advisory Council on Legal Aid has repeatedly in its annual reports pressed for the development of these centres and of legal aid. The Government simply declines to devote any more resources to this part of the nation's well-being.

The problem of legal services does not call for examination by a Royal Commission. If legal services are intended to form a large part of the Commission's remit, the inevitable comment is that radical reform is being side-stepped by the device of shelving a major social issue, at least for the five years or more of the Commission's work.

In the meantime, the poorer section of the community will have to struggle along with inadequate services. Is that what Mr. Jack Ashley and his Parliamentary colleagues really want?

The solicitors' exclusive right to do the conveyancing of house property is another case in point. The costs of conveyancing are well known, and the arguments for and against maintaining the monopoly have been extensively canvassed in the course of a series of encounters in the courts between the Law Society and the non-professional firms that have challenged the monopoly. What is needed is a decision whether, now that most land is registered, the solicitors' sole preserve should be continued.

The organisation of the profession is another area where the facts are broadly known, and someone should boldy declare what the future is to be.

There remains the perennial question of fusion: should barristers and solicitors be united in a single profession? Here the costs of the alternative systems are not known. It is a task for some independent body, although a Royal Commission for just that would be using a sledgehammer to crack a not very tough nut.

Legal education and training is another example where the facts are known. Only a few years ago a committee under Lord Justice Ormrod reported to the Lord Chancellor. If its recommendations have not proved universally acceptable, there is no need to cover the ground again before deciding the future of the law faculties in the Universities and of the professional examinations.

Remuneration

The administration of justice seems to have been deliberately kept out of the Royal Commission's terms of reference. But, on being questioned on his statement to the House of Commons, the Prime Minister did not preclude the Commissioners from examining that hoary issue, whether we should have a Ministry of Justice.

The Prime Minister went on to say that he and his colleagues would not be very receptive to any recommendation along the lines of such a Ministry.

The last aspect of public perturbation about the profession is the scale of remuneration for lawyers, particularly in the field of criminal law where so many rely heavily, if not entirely, upon public funds for their fees. The evidence so far indicates that barristers are very well paid, but not inordinately so, compared with other professional men who are self-employed.

Whether the Royal Commission will disclose anything different is very much doubted. What it may show is that some of the money expended from the public purse is ill-directed. Far too high a proportion of the civil legal aid bill is attributable to supporting divorce proceedings. Since divorce was simplified by the Act of 1969 that expenditure seems unwarrantable.

It is difficult to resist the conclusion that the loudest proponents for a Royal Commission are less concerned with the value of the services that the legal profession provides (or fails to provide) than with expressing their personal animus towards the profession to which some of them belong. In so far as our legal institutions enjoy too little public esteem, they were right to press their cause.

All this reflects the immediate past; it does not readily reveal the path ahead. The Royal Commission, as it enters upon its remit, may feel a little like the apocryphal judge listening to a recondite argument from a barrister in his court.

The barrister paused in the breathless pursuit of his difficult argument to inquire: "Does your Lordship follow me?" The judge sorrowfully replied: "I am following you closely, Mr. Smith, but tell me, where are we going?"

SOCCER BY TREVOR B

Unlucky Leicester fall in superb Cup-tie

MANCHESTER UNITED beat a cruelly unlucky Leicester, who certainly deserved a draw for their storming second-half rally, by two goals to one in a superb cup tie which was a credit to both teams.

The match was a joy to watch—exciting, fast, clean and packed with high quality attacking football plus a masterly display of goalkeeping by Stepney.

Although Leicester produced the early pressure, obtaining three corners in the first five minutes, United took the lead in the eighth, when Macari was on hand to put the ball in the net, after a Coppell dribble and a McIlroy flick had completely opened the opposing defence.

Leicester, with three basic centre forwards up front, Worthington on the left, the tall Lee in the middle, and Garland on the right, set the Manchester defence some problems.

But these were nothing compared with the ones which a four-man forward line, Macari and Daly in close support, were setting at the other end.

The Leicester back four, unaccustomed to being attacked on such a broad front and in such numbers floundered, as so many defences have done against them this season.

Coppell, on the right wing, danced past the unfortunate Rofe almost at will, and was no surprise when Daly scored a second goal after another furious onslaught.

With the skilful, darting Manchester raiders finding the gaps, which almost provided a couple more goals, the half-time came as a relief to a distinctly groggy Leicester. No one could have foreseen the remarkable transformation that was to take place after the interval.

Leicester came out for the last 45 minutes with a revised formation which enabled them to regain the initiative and, if justice had been done, would at least have earned them the right to a replay.

Weller switched from midfield to right wing, wher[e] almost as much Coppell, Worthing[ton] with Lee in the mi[ddle] moved out to the le[ft]. Sammels soon repla[ced] in midfield and add[ed]

They fought back a second goal dis[allowed] on, and mounted attack. But their efforts were only [to] beat a brave and agile Stepney whe[n] well-flighted free-ki[ck] net.

The Manchester with less of the ba[ll] dangerous, and t[he] Wallington to sav[e] much of their midfi[eld] disappeared.

Manchester Unite[d] home in the next stand an excellent reaching Wembley.

I hope they do, would be good to with such a positi[ve] and so much flair should be a great occasion.

Finally, spare so[me] for Leicester who have graced an FA if the ball had run might well have do[ne]

SIXTH-ROUND DRAW

Stoke or Sunderland v. Crystal Palace

Derby v. Bolton or Newcastle

Manchester United v. Wolves

Norwich or Bradford City v. West Brom. or Southampton

RUGBY UNION BY PETER RO[

Scottish not taciturn enoug[h]

TRADITIONALLY the Scots have been known as a taciturn nation, yet on Saturday the quick lip of certain Scottish forwards cost them nine points against Northampton. As six of these came at the end of the game, when matters were still finely poised, London Scottish will regret the back-chat and wonder how, having won the majority of possession, they still lost the game 28—16.

London Scottish certainly played more constructively, but they badly missed Mike Biggar to support some worthwhile thrusts from Friell and occasionally Wilson. Yet, even with Biggar, they would have been up against it, for Northampton, playing a limited game, were difficult opposition. So neither the hard scrummaging of Fairbairn Clark and Fraser nor the line-out possession of McHarg and Wright produced the rewards they deserved.

A dull first half produced 10 points each, and then the game became a battle of styles, with Scottish calling the tune but never really playing it conclusively.

All Northampton had to do was to tackle and wait for the inevitable mistakes, and this they did effectively. They are fit and know how and when to tackle, and these two merits saw them through.

The back row of Sweet, Cannon and Phillips picked off any breaks missed by the first line of defence. Reybould at full-back fielded the high ball most confidently, and his personal tally of 20 points (six penalties and a conversion) should be seen as a part, not the whole of a very encouraging performance.

Neat try

Yet Northampton, unnecessarily it seems it me, lacked the confidence to use their two excellent wings, Parker and Oldham. Both showed themselves fine opportunists, but suffered from lack of opportunity which was the fault of Clarke and George in the centre.

Perhaps it all started with scrum-half Page, wh[ose] excellent kicking, considerably. In received mediocre from a pack in w[hich] was pre-eminent. outshone individua[lly] McHarg, who agai[n] freelance role mag[

Raybould and changed penalties seven minutes be[fore] scored a neat try, breakdown in unne[…]tish passing. Wil[son] kicked a penalty, an[d] the Scots the lead a[…]ligent break su[…] McHarg. Raybould, by Scottish answ[…] equalised on half-ti[me].

Also immediatel[y] he converted a g[…] Cannon, but Scottis[h] when Wilson sco[…] clever loop with McIlwraigh to conve[rt …] side's recidivism g[…] the chance to kic[k] penalties, which g[…] an imbalance th[…] reflected the hope[…]tions of Scottish a[…]

WINTER OLYMPICS

Austrians win the final gold

INNSBRUCK

HOST nation Austria crowned a disappointing Winter Olympic Games with victory in the 90-metre special ski jump event here to-day to send its thousands of spectators home happy.

The Austrians won only two of the 37 gold medals at stake in the summit meeting of winter sports.

But when Karl Schnabl's big jump victory and the silver medal taken by 17-year-old Toni Innauer, were added to the gold medal for the men's glamorous downhill ski race, the home country counted itself happy.

The Soviet Union had five jumpers in the jumping event which ended the Games programme and they were far down the field, but in all other sports they were dominant and they won 13 of the gold medals.

The Russians also won six silver and eight bronze medals which gave them a massive increase on their performance in the last Winter Olympics in 1972. At Sapporo, Japan, they won eight gold, five silver and three bronze.

Yesterday, ski-jumpers Schnabl and Innauer avenged their defeat by the East Germans on the 70-metre hill last week-end at Seefeld.

Conditions were excellent and the 70,000 capacity Berg Isel stadium overlooking Innsbruck was packed, with only a light breeze fluttering the Olympic flag and the twin Olympic flames, burning on the lip of the terraces.

Schnabl, who took the bronze medal on the smaller jump, was lying third after the first of two rounds, but struck g[…] longest second roun[d …] 97 metres, amassin[g] 234.8 style and dist[ance …]

Innauer, a 17-yea[r-old] boy, who has captu[red] hearts with remark[…] in international com[petition …] season, jumped 102[…] the first round, the[…] the day, but conce[ded …] to his team-mate wit[h …] second effort to total[…]

East Germany's […] celebrated his 23rd […] winning the bronze […] jumps of 91 and 97 m[etres …] him 221.7 points, b[…] German challenge w[…] by the Austrians to-[…]

Jochen Danneb[erg] finished second at t[he …] event to his countr[y …] Georg Aschenbach […] last week, stood sec[ond …] Innauer after a le[ap …] metres in the first […] only reached 89.5 in […] to place fourth.

Austria's success, […] by Reinhold Bachler […] Wallner finishing fift[h …] sparked wild scenes i[n …] which poured on to t[he …] when the final ju[…] finished and hoisted t[he …] silver medal winner[…] shoulders.

MEDALS TABLE

	Gold	Silv.	Brnze.
Soviet Union	13	6	8
E. Germany	7	5	7
United States	3	3	4
Norway	3	3	1
W. Germany	2	5	3
Finland	2	4	1
Austria	2	2	2
Switzerland	1	3	1
Netherlands	1	2	3
Italy	1	2	1
Canada	1	1	1
Britain	1	0	0
Czechoslovakia	0	1	0
Liechtenstein	0	0	2
Sweden	0	0	2
France	0	0	1

RACING BY DOMINIC W[

'Comedy' can regain position

COMEDY OF ERRORS, who lost his position as market leader in the Champion Hurdle betting when Night Nurse so emphatically landed the Irish Sweeps Hurdle, can regain favouritism for Cheltenham by accounting for Dramatist and Birds Nest at Wolverhampton to-day.

He meets this pair and three others in the Wolverhampton Champion Hurdle trial, which he won at odds of 9-4 on a year ago. On this occasion Fred Rimell's nine-year-old is certain to be at considerably longer odds because both Birds Nest and Dramatist will have a good many supporters — particularly Birds Nest.

Comedy of Errors might have given Night Nurse plenty to do in the Irish Sweeps Hurdle had he not lost all chance when squeezed badly at the third from home. He found quick compensation at Windsor five days later when he kept on gamely to defeat Sea Pigeon, to whom he was giving three lb, by a head in the New Year's Day Hurdle, with the remainder, headed by Supreme Halo, well beaten off.

Dramatist, the subject of good Cheltenham support after holding off Birds Nest in Newbury's Berkshire Hurdle in November, fell in that Windsor event when leading at the penultimate flight.

At that point Comedy of Errors was beginning his run and opinions were divided as to whether the fall had robbed Dramatist of a winning opportunity.

Birds Nest, who is as short as 6—1 in some lists for the Champion Hurdle on March 17, has not been out since failing narrowly in the Berkshire Hurdle, in which he appeared with far too much to c[…] Turnell.

Now 10 lb better […] rapidly diminishing […] which he went und[er …] winner, Birds Nest […] decisively turn th[e …] Comedy of Errors, w[ho …] ideally suited by the […] dead ground, may jus[t …] measure.

Another interesting […] Wolverhampton is th[e …]bury Cup. Here a ca[se …] argued for all seven r[…]

My idea of the […] winner is Dramatist's p[…] stable companion *Men[…]* ran on strongly to g[…] Note 25 pounds and […] by 1½ lengths in the […] Opportunity Chase at […] month ago.

At Teesside, wher[e …] specialist *Ben More* ca[…] better of Dorlesa […] Morgan in the Castle a[…] Chase, *Justaminute*, […] rated recruit from Ire[land …] win his first race for […] stable — Gordon Richa[rds …] Division I of the Va[…] Hurdle.

WOLVERHAMPTON

2.00—Gulding Star
2.30—Appin
3.00—Menehall
3.30—Comedy of Errors**
4.00—Toy Flag*
4.30—Carnival Day

TEESSIDE

1.15—Justaminute***
2.15—Infantryman
2.45—Ben More
3.45—Star Penny

TV/Radio

† Indicates programme in black and white.

BBC 1

7.05-7.55 a.m. Open University. 9.38 For Schools, Colleges. 10.45 You and Me. 11.00 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill 1.45 Rubovia. 2.01 For Schools, Colleges. 3.20 Under Row Bells. 3.58 Regional News (except London). 4.00 Play School. 4.25 Roobarb. 4.30 Jackanory. 4.45 Blue Peter. 5.10 John Craven's Newsround. 5.15 Jumbo Spencer. 5.40 Ivor the Engine.

5.45 News.
6.00 Nationwide.
6.55 Ask the Family.
7.20 Z Cars.
8.10 Panorama.
9.00 News.
9.25 The Monday Film: "Banning," starring Robert Wagner.
11.05 Tonight.
11.40-11.43 Weather / Regional News.

All Regions as BBC-1 except at the following times:—

Wales—1.45-2.00 p.m. Pili Pala. 2.18-2.38 For Scools. 6.00-6.55 Wales Today. 6.55-7.20 Heddiw. 11.40 News and Weather for Wales.

Scotland—11.00-11.20 a.m. For Schools. 6.00-6.55 p.m. Reporting Scotland. 11.05-11.40 Public Account. 11.40 Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.55 Scene Around Six. 11.40 Northern Ireland News Headlines.

England — 6.00-6.55 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands Today (from Birmingham); Look East (from Norwich); Points West (from Bristol); South Today (from Southampton); Spotlight South West (from Plymouth)

BBC 2

6.40-7.55 a.m. Open University.
11.00 Play School.
3.30 p.m. The Caterers.
4.00 State Of Play—Pre-school Education Now.
5.25 Open University.
7.05 Film As Evidence.
7.29 Weather.
7.30 Newsday.
8.10 The Waltons.
9.00 Cakes and Ale.
9.55 Horizon.
10.45 Diversions from Scotland.
11.20 Newsnight.
11.35-11.40 Closedown. John Westbrook reads "Belshazzar," by Norman Nicholson.

LONDON

9.30 a.m. Schools Programmes. 12.00 Issi Noho. 12.10 p.m. Mister Trimble. 12.30 Kitchen Garden. 1.00 First Report: News, FT Index. 1.20 Lunchtime Today. 1.30 Emmerdale Farm. 2.00 Good Afternoon. 2.30 "A Very Missing Person," starring Eve Arden. 3.55 General Hospital. 4.25 Clapperboard. 4.50 Rogue's Rock. 5.20 Batman.

5.50 News from ITN.
6.00 Today.
6.45 Opportunity Knocks!
7.30 Coronation Street.
8.00 Hello Cheeky.
8.30 World in Action.
9.00 Police Story.
10.00 News.
10.30 Looks Familiar.
11.00 Take Two.
12.00 Problems.

All ITV Regions as London except at the following times:—

ANGLIA

12.30 p.m. The Way We Live. 1.25 Anglia News. 2.00 Houseparty. […] Monday Afternoon Film: "Law and Disorder" starring Michael Redgrave and Robert Morley. 4.25 The Romper Room. 5.20 Indoor League Championship of Champions. 6.00 About Anglia. 9.00 Police Woman. 10.30 Monday Late Film: "The Oblong Box" starring Vincent Price. […]

ATV MIDLANDS

BORDER

CHANNEL

GRAMPIAN

GRANADA

HTV

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 2.00-2.35 Hamdden. 6.01-6.?? Y Dydd. 8.30-9.00 Yr Wythnos. HTV West—As HTV General Service […]

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

WESTWARD

YORKSHIRE

RADIO 1

RADIO 2

RADIO 4

RADIO 3

BBC Radio London

London Broadcasting

Capital Radio

F.T. CROSSWORD PUZZLE No. 3,006

ACROSS

1 Cheshire skittled out (6)
4 A lot of detectives one caught becoming bitter (6)
8 Quite a few cut by a student (7)
9 Success before 8 is captivating (7)
11 Point of congestion stopped by Cork (10)
12 Tiny part of a cat (4)
13 Waits kind of song (5)
14 Long term prisoner behind support for ship-wrecked sailors (4, 4)
16 Introduction made before walk (8)
18 Painter for doctor to clear (5)
20 Not as much as the French boat (4)
21 Instrument has large beer . . . (6, 4)
23 . . . recorded by tiny daughter (7)
24 Football team learns a new formation (7)
25 Two quarters grow weary of whole (6)
26 Whip makes a change (6)

DOWN

1 Beliefs of cardinal in company (5)
2 Builder wins point over parish priest (7)
3 People saving up for a night on the tiles (5, 4)
5 Smart king is just a baby (5)
6 Stop hoping to be wrongly praised (7)
7 Get down instruction to horseman and don't exaggerate (4, 3, 2)
10 Strongly built and rightly leading 6-3 (4, 3, 2)
13 Kind of friar to be caught by member taking cream (9)
15 Race to take the oars in domestic scene (6, 3)
17 Attack like South Africa last month (7)
19 Head in case is most magnanimous (7)
21 Dull having old Penny back (5)
22 Sergeant-major has altered during break (5)

The solution of last Saturday's prize puzzle will be published with names of winners next Saturday.

rica Centre

Never So Good

by B. A. YOUNG

e choice of the Africa re's cosy little theatre in Street, Covent Garden, as venue for Kevin Laffan's play and the casting of black rs in two of the four parts ot mean that there is any l content in the story. The is composed so solidly of lard stereotype *situations* it could be played, *mutatis ndis*, by a pair of Eskimos a pair of Chinese. The lexions of the characters uite incidental.

a grimy basement flat lives ney, a dotty evangelist, a pretty black girl whom rescued" when he found pparently abandoned in the . Sweeney believes that mission could be finally pplished if only he could is hands on a bomb; and esto! in comes a terrorist ng from the police and s a bomb in the lavatory he holds Sweeney, his girl a and Selena's friend Ally npoint to prevent their the alarm.

development of the play is confined to a long con tion between Sweeney, armed with the bomb, and the terrorist, armed with his pistol, though there is a sub-plot concerning the relationship of Sweeney, Ally and Selena (who turns out to be a tart, though why she should live in this squalor with such a lucrative profession is never adequately explained). *The tension is maintained only* by consistently ignoring chances to end it. For example, Sweeney waves his bomb at the terrorist and commands "Put that gun away!" He could as easily have taken it away or given it to Ally. Ally, moreover, misses several opportunities to bop the terrorist on the head with one of the half-dozen empty whisky bottles that litter the room.

The director, Roland Jaquarello, is an experienced operator and might have ensured that such chances were at least concealed. But all concerned seem to have resigned themselves simply to keeping up a simple excitement and not asking any questions. Within this framework the performances of all four players are rather good. Ritchie Stewart plays Sweeney; Mark Heath (for whom the play was written) plays Ally and may perhaps be disappointed with such a purely subsidiary role. Joan Ann Maynard is the saintly black whore Selena and Colin Spaull is the gunman, a ratlike little creature whose object is no more sinister than the destruction of his local Inland Revenue office.

he Entertainment
iide is on Page 25

atre Royal, Norwich

Cologne Dance Forum

by CLEMENT CRISP

a commendable enterprise heatre Royal, Norwich was st week for the first visit s country of the dance ny attached to the Cologne The group of 30 dancers s, naturally enough, in , but has also another, creative identity as a dedicated to new choreo , and is encouraged to largely in Europe. Its is that currently fashion mixture of classic and n-modern: a similarity Ballet Rambert was ened by the presence of n Morrice's *That is the* nd a Glen Tetley piece in ogrammes which I saw at ek-end.

ture demonstration which Saturday afternoon's per ce was introduced by the aland-born Gray Veredon. the directors of the a sketch of a ballet class ersed with details of the ny's working ideals. Multi al, run seemingly on rian lines. Dance Forum at its best in Modern *That is the Show* bravely one—rather than in the ssical *Four Seasons*, graphed by its other r, Jochen Ultrich, shown matinee. About this last ast said, the soonest . A grimly determined tion of Vivaldi's interm *strong concertos*, it heavy and unattractive, in part due to the wildly ering clothes designed an-Paul Vroom. These l like nightmare under nts: vestigial cod-pieces men, bunchy bodices for omen, culminated in the g of what I take to be ed life-jackets that ned and obscured the s' trunks. The dancing oreography were in accord he costuming.

n to be preferred was the s evening's programme. lrich's *Sinfonietta* uses a ore by the Polish com Kazimierz Serocki (his nietta" for two string ras) and the strong, free g of the company in the ovement was an agreeable ction to the troupe. The declined somewhat there earnest *grapplings for* cond movement, and an otracted finale played out tape of wind and rain after the music had been ted—but the initial impression was of a dedicated performance style.

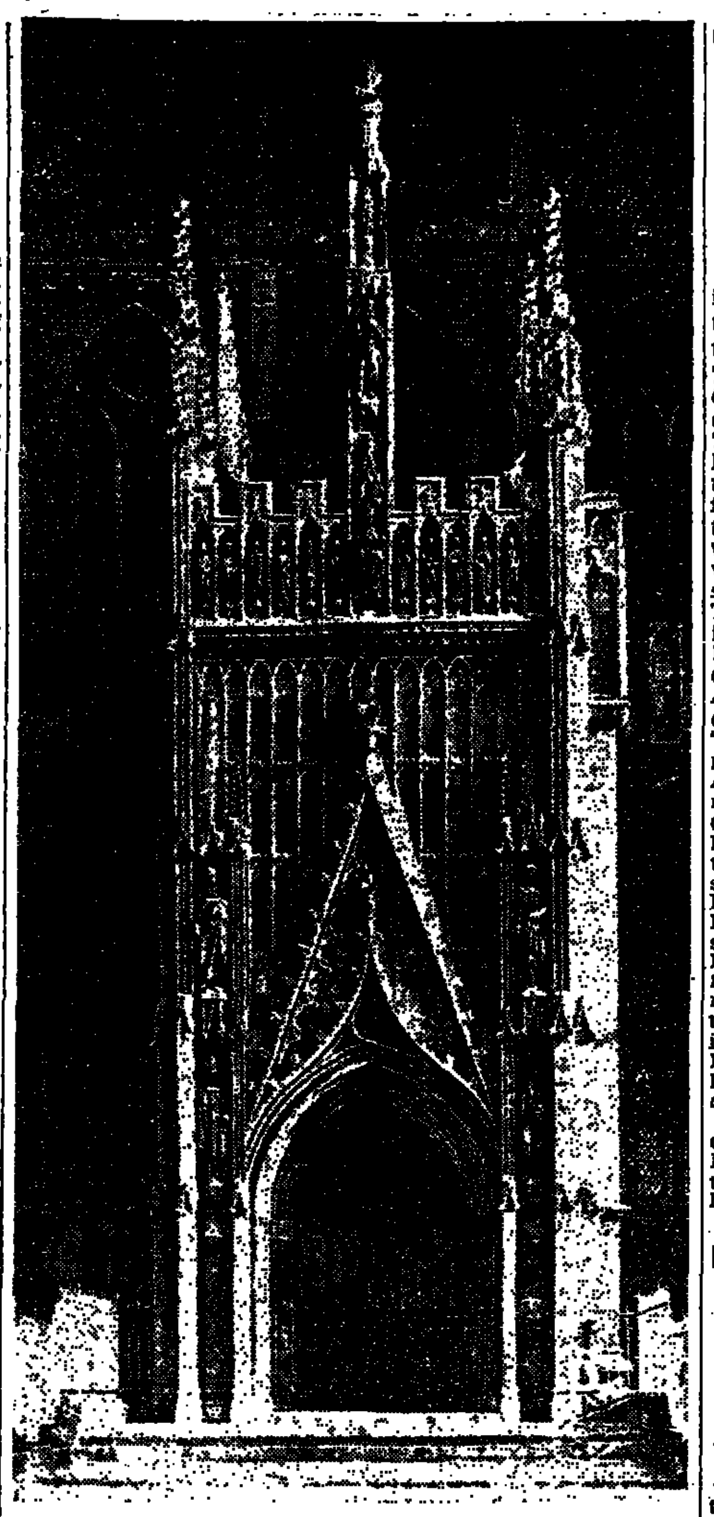
This was confirmed by the company's account of Glen Tetley's *The Moveable Garden* which dates from 1973. It has certain similarities in its use of slow-motion movement with *Field Figures*, but it seems more clearly related to its score (Lukas Foss's *Geods*) than the Stockhausen work. The Foss score comprises what I can best describe as curiously smeared sonorities. Fragments of American folk-song ("O, Shenandoah" among others) drift in and out of our consciousness as part of a slowly melting texture of sounds, and Tetley's dances have a similar fluidity of outline. Monika Montiva is a central figure in the action, often isolated, while nine other dancers elaborate shapes and trails of activity that dissolve and reform. Exceptional among them is Heide Tegeder, a dancer of lovely line and potent dynamic presence.

It is, I hope, not chauvinistic to say that the best performances, because in the best choreography, came in Norman Morrice's *That is the Show*. Despite very poor sound reproduction of the score—and my annoyance with this inadequacy confirmed how strongly Morrice has responded to Berio's inventions—the company gave a convincing account of the piece, with outstanding performances by Heide Tegeder and James Saunders. The themes of compassion for a heroic victim, of the plight of women faced with desolating loss, were clear and noble in statement; no less so the dancing of Miss Tegeder and Mr. Saunders.

Bernard Haitink at Glyndebourne

Bernard Haitink, who has conducted at the Glyndebourne Festival since 1972, will conduct not only the new production of *Pelléas et Mélisande* in this year's Festival but also two operas, including *The Rake's Progress*, in 1977 and a new production with Peter Hall of *Cosi fan tutte* in 1978.

From 1979 Haitink will take over the musical directorship of *the Festival* for an initial period of three years, in succession to John Pritchard who has recently announced his wish to resign from that position after the 1978 Festival.



Beverley Minster was described by the late Archbishop Lang as the most perfect parish church in Europe. These words were echoed by others in the world of architectural historians. The gothic style continues in this relatively unknown cathedral-like church throughout the 13th, 14th and 15th centuries, of which periods is an outstanding example.

Now it is, as in so many cases, in severe financial difficulties, needing some £500,000 to restore its decaying stonework and to make the structure secure. The architect for the work is W. E. Godfrey, RIBA. Donations should be addressed to Major R. Unett, The Appeal Office, Beverley Minster, North Humberside, HU17 0DP.

The illustration shows the early 15th century Highgate Porch.

H. A. N. BROCKMAN

Festival Hall

RPO/Lopez-Cobos

by RONALD CRICHTON

Jesus Lopez-Cobos is a Spanish conductor trained in Vienna under Swarowsky. His performance of Dvorak's Eighth (G major) Symphony at last Thursday's concert by the Royal Philharmonic Orchestra showed why he has gone far in a short time and why high hopes are set on him. It was a lean, dapper, well-knit reading, a little too brisk in the finale to escape the impression that Dvorak says almost everything twice (which at that point he does), but in the central movements so clear in the metrical patterns (the cross-rhythms in the trio must make strong appeal to a Spanish musician) as to banish any regret that those rhythms didn't have quite enough lilt. Good playing, especially from the woodwind, but in the first movement the strings were not always careful about defining inner parts.

For the remainder, Mr. Lopez-*Cobos had a Spanish singer of* international renown and one Spanish work. Granados is under-rated, not least by the many who hear a handful of his *tonadillas* time and time again without apparently deducing from the fact that they wear so well that they are also extraordinarily good. No such deduction can be made, however, from the *Goyescas* suite orchestrated by Ernest Schelling, which opened this concert. The excerpts come from the opera and are based at one remove on the familiar piano pieces. Granados wrote superbly for the piano (and was evidently a fine player), but in orchestral dress the breeding, distinction and charm of this music simply disappear. The *Fandango* conveys something of the real flavour, the rest is a sticky mess.

Victoria de los Angeles chose to sing eight of Canteloube's Auvergne folk-songs in the orchestral version and in the Auvergnat dialect which is not unlike her native Catalan. There is now, to be frank, very little voice left, and on this occasion control was not always immaculate. Yet this beloved and admired artist can still spring surprises. Her diction and her infectious gaiety between them made the "Trois bourrées" sparkle, and in the second verse of the last song, "La delaïssado," by merely marking the notes she showed how even the tiniest sound, if well projected, will carry. All the same . . .

Elizabeth Hall

Berio's A-Ronne

by DOMINIC GILL

Last Friday evening the fourth London Music Digest presented a concert of music by Luciano Berio, introduced by the composer. The major new work of the programme, given in London for the first time, was *A-Ronne*, a 30-minute scenario of "theatre for the ears" sung by Swingle II.

Berio calls *A-Ronne* (roughly translated as "A to Z") a "documentary on a poem"—a short text by Sanguineti. It is a melodrama: the original work, composed for radio in 1974-75, was conceived for performance by actors, not musicians. This second version for eight singers is also a kind of melodrama, a vocal collage which calls on all manner of vocal resource—sighing, grunting, burping, whispering, smacking lips, hissing, whistling, chuckling, popping—as well as speech, and the articulation, sometimes in harmony, sometimes not, of pitched notes.

There is quotation (stylistic and literal) everywhere — of Bach, Italian madrigals, popular song. *The musical moods* swing and swingle from extreme to extreme: from humour, slapstick and waggish, to fine tenderness, to deep-puple sentiment. One long passage explores just how many shades of B-film schmalz it is possible to invest in the phrase "Nel mio principio." I found it an agreeable, but shallow piece: a pretty, clever confection—but whether or not ultimately more than a chocolate-box of *slightly* cheapened *Sinfonia*-tricks, difficult, at one hearing, to say. Swingle II's performance was very good, clear and sure. It will be interesting to hear again: perhaps side by side (a service Radio 3 might one day perform) with the earlier radio score?

In the first half of the evening, the sisters Katia and Marielle Labeque with the percussionists Jean-Pierre Drouet and Sylvio Gualda gave the premiere in this country of *Linea* for two pianos and two vibraphones. *Linea* (1974) was composed as a dance score. It also makes an attractive concert piece, 12 minutes long—a four-part invention a miniature three-piano concerto, built from a continuous line of melody and a steady pulse, constantly broken and fragmented. Light, short, sweet—and like *A-Ronne*, pale beside Berio's masterpiece *Circles* which began the programme, now 16 years old and growing even stronger, younger. A magical performance this, sung by Cathy Berberian, superbly supported by Gualda Drouet, and the harpist Brigitte Sylvestre.

'Cav' and 'Pag' to be screened

Zeffirelli's Royal Opera House production of *Cavalleria Rusticana* and *Pagliacci* will be seen on BBC1 on Good Friday, April 16. It will be the first time the two will have been shown together on British television.

Singing the leading role in both operas is the Spanish tenor Placido Domingo. They will be broadcast simultaneously in stereo on BBC Radio 3.

Covent Garden

A Month in the Country

by CLEMENT CRISP

"All love, happy or unhappy, is a disaster when you give way to it." Thus the adoring Rakitin to Natalya Petrovna, heroine of Turgenyev's *A Month in the Country* as we can see it currently at the Albery Theatre. Thus, too, the theme of Sir Frederick Ashton's *A Month in the Country*, which was given its first performance last week by the Royal Ballet. The comparison with the play is inevitable, and very illuminating of Ashton's skill in finding an essence of Turgenyev's drama as the basis for his ballet. Speaking about his distillation of *La Dame aux camélias* into *Marguerite and Armand*, Ashton referred to his encapsulation of the drama as a "pill." He has allowed himself rather more than pill form for *A Month in the Country*, but the result is still marvellously concise. Gone the mother-in-law and her companion, the German tutor and the doctor, and poor, silly Bolshintsov to whom Natalya's ward, Vera, sacrifices herself. Natalya's husband, her son Kolya, and her admirer, Rakitin, become subsidiary figures. For Ashton the situation *resolves itself into a trio, evocative of Phèdre's* calamitous intrigue, involving Natalya Petrovna, her ward Vera, and Belyayev the "innocent" tutor, catalyst of the drama.

The game in Turgenyev's tragi-comedy, in which Natalya and Rakitin decide to "complete" the tutor's education and "take him in hand," is to flare into Natalya's passion for the young man, and destroy both Natalya's happiness and that of her ward. As a basis for his action Ashton has turned to Chopin's music. We first meet the inhabitants of the Islayev household—serene in the depths of the summer countryside—to the early *Là ci darem* variations for piano and orchestra. Each is introduced in a short solo: a capricious variation for Lynn Seymour as Natalya, a bouncing and virtuosic entry for Wayne Sleep as the child Kolya, a wild fluster as Alexander Grant (Islayev) searches for some lost keys, while Derek Rencher as Rakitin looks amusedly on.

Then, to bold, solid chords from the piano, Anthony Dowell (Belyayev, the tutor) enters and the mood alters. We sense immediately Natalya's interest in him, and that of Vera (the touching Denise Nunn). Throughout Ashton's writing up to this moment there is a vivid response to the Polish quality of Chopin's language—hints of Polonaise and muzurka steps, heightened by the subsequent use of the Fantasia on Polish Airs. Ashton's commentary upon *Turgenyev's text is free*, but pinned at crucial moments into the play: in the emotional tensions precipitated by Belyayev's entry, and more significantly in the consoling embrace when Natalya avows her passion for Belyayev to Rakitin, and her husband surprises them together.

Ashton now shows us a tender duet between Vera and Belyayev, his response to her youthful infatuation stopping just short of the kiss he nearly gives her. Natalya's discovery of this encounter, her moment of ungovernable anger as she slaps Vera's face, and the girl's flight, darken the mood. Belyayev alone *reveals his feelings for Natalya* as he holds a shawl she has left behind; her return — and Ashton's use of the *Andante spianato and Grande Polonaise*—produces an impassioned duet for Natalya and Belyayev, consummately danced by Seymour and Dowell.

It is extraordinarily acute in its suggestion of Belyayev's love and Natalya's mingled attraction and fear of his infatuation — Seymour eddying in tiny *pas de bourrée* that reflect the delicate tracery of the piano writing. Vera surprises them, arouses the household, and Rakitin and Belyayev take their departures as Turgenyev requires. Ashton provides a high romantic postlude as Belyayev returns to kiss the ribbons of the unseeing Natalya's dress, and leave her the rose she has given him. At the last she is alone, holding the rose.

Whatever liberties Ashton may have taken with the text—and a "literal" treatment would be self-defeating for the ballet—he has caught everything of the Turgenyev atmosphere. The leisurely country setting, the ennui of idle lives in an idle society, the unpredictable seizing upon a new-comer as an object for passion (Natalya's comment in the play that "one can't always answer for oneself") are all beautifully shown in choreography that is fresh, lucid, emotionally apt. For Miss Seymour, the role of Natalya Petrovna uses all her gifts of sensitivity, of subtle expressive power. Lovely the capricious charm of her treatment of Rakitin, the head suddenly turned away, the hands held to her face; marvellously true the sudden intensity of her response to Belyayev's ardour, torn between acceptance and pangs of conscience; heart-rending her desolation at the end as she finds herself alone.

Anthony Dowell makes *Belyayev entirely credible*; both the sexual charm and the head-strong youthfulness perfectly caught. Denise Nunn is pretty, delicately appealing and vulnerable as Vera; the rest of the cast are perfectly attuned to the demands of Ashton's allusive style. With so much to admire and enjoy, it is difficult to carp about the design, but I find Julia Trevelyan Oman's setting far too fidgety in its insistence upon detail. The basic shape and colouring are fine—a pale blue drawing room giving onto a park and silver birches—but the plethora of meticulous period knick-knackery in furnishing, and the scrupulous truth of the costuming, smack more of the museum than the stage. Period accuracy here has set limits upon theatrical illusion.

French Institute

Week of New French Theatre

by GARRY O'CONNOR

Two very worthwhile productions at the French Institute last week showed a French avant garde which is moving towards a formalised expansion of the role of the director, oddly at variance with our own avant-garde and its ever-changing hunger for alternative life-styles—with the emphasis on styles.

Both fall into the category of what is variously described as *Théâtre/récit* or *Lecture/spectacle*: staged readings or theatrical recitals, far more organised in the interplay between the casts than, for example, *The Hollow Crown*, though stopping short of full-scale production. The first, *Pour Catherine* directed by Antoine Vitez, stems originally from Nanterre, and is based on the novel *Les Cloches de Bâle* by Louis Aragon, the Left-wing poet much in vogue in the years *d'entre deux guerres*. The eight performers, headed by Nada Strancar, Agnès Vanier, and Vitez himself, do not quite free themselves from their well-thumbed copies of the book, though they otherwise indulge in a splendidly edible meal, which had many of the mouths of the surrounding audience—my own included — watering with a desire to participate.

This elementary and satisfying form of theatrical teasing apart, there is plenty of attack in the company, a vigour and a concentration on the emotional content of what they are saying, which I found highly absorbing. The text is a hard one to follow, concerning primarily the political and sexual awakening of the heroine, Catherine Simonidzé against a background of pre-First War social unrest, strikes, and working class hopes. But even if one is only dimly aware of the gist the range of commanding personalities deployed is impressive, and the varied exhortations —tirades against the armaments manufacturers, directives to the future—are all passionate and well-differentiated.

The evening would, I believe, benefit if we had known who exactly the group sitting down to the meal consists of. Their relevance to the *Cloches de Bâle* remains shadowy. The constant switching of the story on the "he/she—I" axis I found distracting at times—English audiences have a notable dislike of Pirandellesque devices probably because their emotions are notoriously slow and unwilling to become involved in the first place—and then not at all happy at being dropped back into non-illusion. But an avant-garde director attempting to awaken direct emotions at all out of basic human sympathy—this is revolutionary enough. Vitez himself kicks off the proceedings in the role of the crippled anarchist, and Claude Aufaure has a delightfully smooth and under-*cutting style*.

Daniel Mesguich's production of *Le Palais d'Hiver* by Rezvani is a grotesque, half-surrealist tale set in the court of Peter the Great. In this production the books are much less in evidence than in the Aragon, and there is a much greater emphasis on action and visual appeal. Mesguich's manner is to tell the story very vividly but quite perfunctorily, and it leaves one with a definite appetite for more.

Peter the Great is "dying" and the piece is about the destruction of his own sensitivity and love, symbolised by the two dwarfs of the palace, Piëtrouchka and Katioucha whom he unwillingly allows to become betrothed and then commits to living in a Palace of Ice which he has built for them and where they finally freeze to their death. The double-sidedness of the Czar's nature is shown through the two same actors playing both the Czar and the male dwarf.

The whole production has a strikingly fluid and unfussy manner, with strong and well chosen *physical detail. The scene where* the two dwarfs visit the Ice Palace is a gem, so is their original love scene at the beginning. The simplicity is above all spontaneous, not the result, one feels, of years of theatre laboratory reseraeh for the most tellingly economical and austere gestures which will have a magical appeal to the over-sophisticated. It doesn't preclude the imagination, it appeals to it, and this is the main and laudable intention of *Théâtre Ouvert* which presented both plays.

Labour about turn on Scottish Assembly

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

ANOTHER remarkable about-turn on the controversial devolution policy was made by leadership of the Labour party in Scotland when it decided at the week-end that it would press the Government to concede more powers to the proposed Scottish Assembly.

The executive committee of the party's Scottish Regional Council now wants the Assembly to be given some economic and industrial powers by having full control of the recently created Scottish Development Agency.

It also wants the Secretary of State for Scotland to be stripped of his so-called "Governor General" veto powers over Assembly legislation.

In its November White Paper on devolution, the Government proposed dividing responsibility for the Scottish Development Agency—which will have up to £300m. to spend over five years—between the Secretary of State for Scotland and the Assembly.

It proposed that the Minister would control the important investment generating function of the SDA while the Assembly would be responsible for the less contentious functions of environmental improvement and public sector factory building.

The executive's decision was taken in spite of the Scottish Office Minister's warnings about the "obvious dangers" of giving too much economic power to the Assembly. It also overturns the marginal vote against Assembly economic powers taken at last year's Scottish Labour Party conference.

It is the second notable reversal by the Labour leadership in Scotland on the Assembly. At a special conference called just before the October, 1974, general election, the party in Scotland was persuaded, largely by ministerial and labour NEC pressure, to ditch its opposition to an assembly in any form.

This history of vacillation on the issue will not help Labour in selling its latest proposed reforms with conviction. The party leadership will be widely regarded as having been forced once more to move under pressure from the Scottish National Party which is growing in popularity and more recently from the break-away Scottish Labour Party both of which want much more extensive economic and fiscal powers for the Assembly.

However, the move will probably help to subdue some criticisms of the Government's proposals at next month's annual conference in Troon.

Other decisions taken by the executive were that there should be no impediment on the Assembly re-organising Scottish local government and that a Commission should be set up to investigate Scottish universities and adult education.

Furnished rentals down 10%

THE NUMBER of furnished properties to let has fallen by about 10 per cent. in England and Wales and possibly by 20 per cent. in London since the passing of the 1974 Rent Act, according to a recent survey by the Royal Institution of Chartered Surveyors.

The institution, while admitting that the survey, collated from the opinions of 50 estate agents up and down the country, is not comprehensive, thinks that it represents a fairly accurate picture of what has happened in the lettings market.

Three other trends emerged from the report:

- There has been no significant rise in rent levels. Where rents did rise the cause was increased rate or general inflationary trends.
- The number of people seeking unfurnished accommodation has risen slightly.
- Properties taken off the market are not being relet, but sold with vacant possession.

Machine-tool makers seek NEB interest payment delay

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

MACHINE-TOOL manufacturers hope to persuade the National Enterprise Board to include provisions for deferment of interest payments in the machine-tool stockpiling scheme it is working out.

The idea would be for the manufacturers to pay interest on the NEB money only when the upturn in trade starts and they begin to sell the machines they have stocked.

It seems that the success of the NEB scheme depends to a great extent on whether such deferred terms are built into it.

There have been meetings every working day for the past two weeks between the NEB and the Machine Tool Trades Association, representing the manufacturers, but there is no sign of agreement.

Pressure for a Government-aided stockbuilding arrangement appeared in the machine-tool industry last October and November, since when the association has been trying to convince the Department of Industry that it was urgently needed.

Some companies even at that stage were complaining that price restrictions plus raging inflation in 1974 and last year had given them severe liquidity problems.

There has been no shortage of cash to be borrowed, but the companies said that it would not be of much use to them unless the interest payments could be deferred in some way, because they could not afford extra outgoings at a time when business was so slack.

The Government shied from providing an Industry Act scheme, principally, it seems, because State financial assistance stockpiling is severely frowned on by the EEC. Money from the NEB is regarded as coming from private sources.

The main aim of a stockpiling exercise, so far as the machine-tool manufacturers are concerned, is that it would enable some companies to kep up production to an economic level for a good deal longer. In turn this would enable skilled work forces to be kept together through the recession.

The big problem with building for stock is that all but the least sophisticated, standard machines can be only partly built. The final touches would not be added until the machine had been sold, and the customer indicated exactly what he required from it.

So not all companies are in favour. At Jones and Shipman, Mr. Edgar Watts, director, said: "The danger with stockpiling even partly-built machines is that more and more of your assets became tied up in non-liquid resources so that the lay-offs and cuts when they come have to be even more severe.

"We prefer to keep a balanced stock of raw materials, components and finished machines ready for the upturn.

Pensioners worse off than in 1974

By Eric Short

PENSIONERS ARE worse off now in real terms than they were in July, 1974, when the Government introduced the £10 a week pension for a single person and £16 a week for a married couple, according to a statement by Age Concern England.

The value in terms of July 1974 of to-day's pensions of £13.30 for a single person and £21.20 for a married couple was only £9.84 and £15.55 respectively.

Age Concern pointed out that since July, 1974, pensions had risen by 33 per cent., but fuel costs had increased by 48.5 per cent. and food prices by 40.5 per cent. Pensioners, it said, spent twice the proportion of their income on fuel and 50 per cent. more on food than the average household. The proposed increase in electricity prices would hit pensioners hard.

An increase in pensions was urged by Age Concern, to be implemented as soon as possible.

New gas pipeline to cost £31m.

By Ray Dafter, Energy Correspondent

BRITISH GAS plans to spend a further £31m. on new pipeline capacity to handle increasing supplies of natural gas.

The scheme will provide 65 miles of 42-in. diameter pipeline between Bishop Auckland, Co. Durham, and Pannal, near Harrogate, Yorkshire. The pipeline will pass east of Darlington, west of Northallerton, east of Ripon and west of Harrogate.

This is the first project using a pipe of such diameter undertaken by British Gas. Most of the existing 3,000 miles of the national transmission system for natural gas has been laid in 36-in. or 30-in. pipes.

Gas from the Anglo-Norwegian Frigg Field and Shell/Esso's Brent Field in the U.K. sector of the North Sea should boost British Gas supplies by up to 50 per cent. by the early 1980s.

The Gas Corporation said that it was following its normal procedure of contacting landowners and tenants affected by the work, which is due to start in May.

Consultations about the route of the pipeline is taking place with the National Farmers' Union, the Country Landowners' Association, planning authorities and other bodies.

Although new supplies of gas from Brent and Frigg are likely to cost British Gas far more than it is now paying for supplies from southern fields in the U.K. sector, industrial and domestic users should not see a corresponding increase in tariffs.

The corporation pointed out that most of the work on the natural gas transmission system, together with the conversion from town gas, had been carried out.

A Commons select committee was told last week that British Gas expected prices to rise at a slower rate than the retail price index over the next five or six years.

P.O. reviewing its parcels service with unions

BY ARTHUR SMITH

POST OFFICE management and unions are reviewing the loss-making parcels service.

Issues under discussion include cuts in the number of delivery routes, reduced vehicle manning, and complete curtailment of duties where necessary.

The Union of Post Office Workers, disclosing in its journal details of a "Joint Statement" agreed with the management on action needed to restore the corporation to profitability, says that "an SOS is sounded for the inland parcel post."

The statement emphasises that economies are needed more urgently on parcels than on letters and telephones. "The financial situation is critical and discussions should take place locally to see what cost reductions can be agreed. Every hour saved is valuable if the inland parcel post is to be made viable again."

Re-assessment

The Post Office said last week that it was seeking a further 25 per cent. increase in parcel charges from April 26. There was a 50 per cent. rise last March and a similar increase in September.

Figures of traffic loss caused by successive tariff rises have not been released. The feeling is growing within the Post Office that a re-assessment of the relationship between the State-owned parcel carriers is necessary.

Already facing a deficit of millions, the Post Office postal service have lost much of the business of Open University to Roadline U.K., formerly BRS Parcels.

The Open University said yesterday that it had switched large packages of course material for 55,000 students, worth about £150,000 a year, to Roadline.

When it decided to send some students larger packages of material as an economy measure, the Post Office would not give it a special rate for bulk deals, but said that the normal parcel tariff must apply.

The University found that Roadline would deliver weighing up to five 52p anywhere in the GPO rate for package for one kilo, 62p up to and 75p for up to three

Mr. Tom Roberts university's manager pondence services, university was still three times as much Post Office as with other

Meanwhile British freight service, alrea money because of the is faced with the loss its biggest customers f traffic—another State-o cern.

National Carriers ha to run down its use o for trunk haulage and own lorries, norma mainly for local distri

It made the decision of its statutory duty " that goods are carrie whenever such carriag cient and economic."

British Rail's freigh was in the red by an £70m. last year as traffi from 200m. tons to ab tons.

British Railways Bo "What National Car doing is simple com Every freight operato country is feeling the loss of traffic becaus recession."

SNOW REPOR

	Depth (cms.) L	U	Stat of Pis
Andermatt	55	170	Go
Davos	45	175	Go
Flaine	195	205	Go
Isola 2000	160	260	Go
Murren	125	200	Go
St. Anton	50	300	Go
Val d'Isere	90	130	Go

The above reports were su Ski Club of Great Britain, are from other sources:

SCOTLAND—Cairngorms: complete. New snow with Vertical runs 1,600 feet. Sno feet. Glenshee: Main runs New snow on hard base. 1,000 feet. Snow level 2,000 Main runs all complete. hard base. Vertical runs 1,4 level 2,250 feet.

Sugar workers in jobs fight

SUGAR WORKERS at Tate and Lyle's refineries, Liverpool, meet to-day in protest against the threatened loss of their jobs in the autumn, because of enforced reduced imports of cane sugar.

Three options have been prepared, after discussions between the Agriculture Ministry, Tate and Lyle's, and Mambre and Garton, who own the Sankey refinery, Newton-le-Willows.

One calls for closure at Liverpool affecting 1,920 workers; the second would mean the closing of Sankey (employing 500). The third would involve closure of Sankey and one of two Scottish refineries employing about 1,560 people. Merseyside MPs are being lobbied.

Docks redevelopment 'could be stifled'

THE redevelopment of London's docklands could be completely stifled unless the Government takes a more positive attitude to the problem, according to the London Chamber of Commerce and Industry.

Mr. David Crawford, the Chamber's planning adviser, writes in its Commerce International monthly journal that plans for redevelopment are faced with an increasing number of obstacles.

The three most serious were the disincentives of the Community Land Act, the Government's industrial development policy and the lack of efficient public transport.

One solution would be to give the dockland the status of a new town with its own d corporation, which w powers above those o authorities controlling concerned.

Unless something quickly, parts of Lon require assistance sim now given to the d areas.

Any reversal of Development Certific have serious repercuss poorer regions but round this would be London an industrial budget linked to an ag of vacant floor-space.

This would give Lo chance to replenish its building stock without the overall space.

Plastics moulding industry 'needs larger groupings'

BY RHYS DAVID

SMALLER companies in plastics moulding and in mould-making should be encouraged to get together with others in their industries to create more viable units and stimulate investment, according to a report just published.

The report, joint work of the British Plastics Federation and the Gauge and Tool Makers' Association, points to weaknesses in both industries, caused by low levels of profitability and warns that the economic recession has made the operations of a number of smaller concerns vulnerable.

It points out that steps are now needed to preserve existing capacity in mouldmaking and to ensure that increased capacity becomes available. The two bodies claim that, although the highest projected rate of demand forecast for moulds is matched by forecast capacity, there is no large surplus capacity to absorb sudden peaks of demand.

The study, covering demand and supply of moulds to 1977, was drawn up at the suggestion of the NEDC's Plastics Steering Committee to help planning within the two industries, which have heavy dependence on each other. Out of total U.K. plastics consumption in 1974 of nearly 2m. tonnes, a total of 400,000 tonnes was used in injection moulding.

The total value of moulds is put by the study at £26.5m. in 1974, but this is expected to increase to £30m.-£33m. by 1977, by which time roughly 450,000-500,000 tonnes of plastics are expected to be used in moulding.

A main constraint to growth, however, according to the mould-makers, is the current shortage of orders and the price squeeze which has resulted. Companies in the industry are also being affected by cash flow problems, partly as a result of longer credit now being taken by some customers.

Concern is also expressed that because of the high proportion of small companies, the industry has not been able to recruit sophisticated management. Difficulties in attracting apprentice, craft and technician recruits of the right calibre are also referred to.

On the plastics side, the main factors behind the low level of profitability are said to be the use by the Government of plastics markets as economic regulators, in particular the electronic and automobile industries. An additional problem is the small size of companies and the limitation this imposes on investment and research and development.

The demand and supply of moulds. BPF, 47, Piccadilly, W.1. £5 BPF/GTMA members, £8 non-members.

- Du Pont is to increase prices of its Mylar polyester film in the U.K. and Ireland by around 15 per cent. from April 1. Similar increases in the price of the film —used in electrical motors and capacitors, magnetic tape, wire and cable, pressure sensitive tape, engineering reproduction, graphic arts and packa being implemented i European countries.

The company whic factures the film throug Pont (Luxembourg) s blames increased labour materials costs and, in of the U.K., adverse rate movements, for the

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FIRST NOTICE TO HOLDERS OF BONDS 9¾
1975-1983 of 1,000 EUROPEAN UNITS OF ACCO

The bondholders of the international loan 9¾% 1975 issued by the GROUPEMENT DE L'INDUSTRIE SIDE GIQUE G.I.S. are convened to an Ordinary General Me to be held at 5 bis, rue de Madrid, Paris (France) on M 10, 1976, at 3 p.m., in order to consider the following age

—Ratification of the statutory nomination of directors of "Société Civile" of the holders of the bonds 9¾% 1975- in conformity with article 7 of the by-laws of that "So Civile."

To permit the bondholders to attend or to be represe at this meeting, the bonds or their deposit receipts, mus deposited at least five days before the date fixed for meeting, at the offices of the banks having participated in placing of these bonds and from whom proxies or admis cards can be requested.

The Board of Direct

OVERSEAS NEWS

[N]ew Nigerian head [o]f state orders [e]nquiry into coup

OUR OWN CORRESPONDENT LAGOS, Feb. 15.

[NIGER]IA'S new Head of State, [Lieute]nant-General Olusegun [Obasan]jo, has ordered a full-[scale e]nquiry into Friday's abor[tive co]up attempt in which his [prede]cessor General Murtala [Muha]mmed and four others died.

[In a] maiden broadcast a few [hours a]fter assuming power, Gen. [Obasan]jo said those responsible [for the a]ssassinations would be [summ]arily dealt with in the [prope]r way."

[He w]arned against reprisals or [ac]ts that might cause a [breach] of the peace. "I appeal [to all s]ections of Nigeria not to [take th]e law into their bands. [You c]an rest assured that the [Federa]l Military Government [will] see to it that justice is [done."] Gen. Obasanjo, a 39-year-[old tr]ained engineer became [Nigeria]'s de facto Prime Minister [last] y following the overthrow [of Gen]eral Yakubu Gowon in a [bloodle]ss coup. He and the late [Gen. Mu]hammed since then main[tained] a low profile, moving [about] the city with few or no [body]guards—in sharp con[trast to] Gen. Gowon's ostenta[tious ou]tings.

[Gen.] Obasanjo said that [when h]e be accepted office [against] his personal desire he [would] continue to pursue the [late Ge]n. Muhammed's policies which he applauded as dynamic. "All policies of the Federal Military Government continue as before and all Ministries should continue their usual duties," he ordered.

Gen. Obasanjo confirmed that Gen. Muhammed his aide-de-camp orderely and driver were gunned down in their car on their way to his office on Friday, while Kwara State Military Governor Colonel Inrahim Taiwo was abducted in Ilorin and shot dead during the ill-planned and short-lived coup attempt.

Reuter adds: Residents of the northern city of Kano to-day discounted reports that disturbances had broken out in the city. Earlier reports reaching the capital to-day said trouble had flared in the city, but residents in different parts of Kano said they knew of no disturbances.

Kano was the birthplace of General Murtala Muhammed, the Head of State who was killed in Friday's abortive coup.

In Lagos, most troops were off the streets after the dawn curfew ended this morning. The hunt is still going on for Lt.-Col. B. S. Dimka who is believed to have shot General Muhammed and made the coup broadcast.

Editorial comment, Page 14

Heavy Moroccan casualties in Sahara

RABAT, Feb. 15.

KING HASSAN II of Morocco to-night asked Algeria's President Houari Boumedienne either to declare war or to accept an internationally guaranteed peace in the Western Sahara.

His message followed further clashes in the disputed former Spanish territory. King Hassan said in his message that his forces at the Amgala oasis in Western Sahara had suffered heavy losses yesterday when attacked by Algerian troops backed by heavy weapons.

The message, which was published here, was relayed to President Boumedienne by the leaders of Tunisia, Senegal and Mauritania, the King said.

The King said that last summer President Boumedienne had *sent him a message promising* that there would never be Algerian soldiers or Algerian equipment on Saharan soil to fight Moroccan troops. In to-day's message the King said that the clashes at Amgala oasis meant that "your acts have denied your promises."

An Algerian army unit and guerillas from the Polisario front—the Saharan independence *movement—were driven from the* Amgala oasis in a three-day battle two weeks ago which brought the threat of war between Algeria and Morocco.

In his message to-day, King Hassan said the Algerian unit, which inflicted heavy losses on the Moroccan garrison, was equipped with heavy weapons. Reuter

Catholic rebels die in Saigon gunfight

SAIGON, Feb. 15.

TWO dissidents, one a woman, were killed and five others arrested here as security forces crushed an armed rebellion which an official announcement described as an American Central Intelligence Agency (CIA) sabotage plot.

A Press conference was told to-day that the incident occurred on Friday after a night-long siege of a Catholic church which had been turned into a rebel stronghold. One security officer died in the armed clash, at the Vinh Son church.

The report, the first reference to any rebellion since the revolutionary government took power last year, also admitted several earlier incidents in the capital.

The most serious, he said, occurred in Go Vap precinct, three miles north of Saigon, where grenades were thrown into the audience at an artistic performance last Christmas.

The Press conference was told that in other incidents leaflets signed by the generals of the former Thieu regime were scattered in the city and market prices were raised recently in a bid to undermine the economy, Mr. Danh said.

The statement by the Saigon National Liberation Front and the city's Peoples Revolutionary Committee said: "The American Central Intelligence Agency (CIA) is involved in this political plot to sabotage the security of our people and of our country."

It said leaflets, letters, weapons, radio transmitting equipment, printing machinery to forge banknotes and fake Vietnam national bills were found in the church.

It added that what was particularly serious was that the dissidents had used the Vinh Son Church as a fortress for their operations and Father Nguyen Quang Minh, the parish priest who was among those arrested, was one of the leaders.

Vinh Son church is situated about 100 metres from the building which formerly housed the international commission of control and supervision (ICCS).

On the second floor was printing equipment and plates for counterfeit ten and five piastre notes and an American-made radio transmitting set with a news bulletin on a desk.

An unarmed security officer who approached the church on Thursday night was shot and killed. A priest, Father Nguyen Huy Lich, representative of the Saigon church, tried to persuade the dissidents to give up but they shouted "Down with the communists and hurled grenades at the security forces. One of those killed was a woman who studied printing in Japan for three years while the other was a paratroop sergeant in the former Thieu regime. The plotters will be tried after investigations are completed, reporters were told. Reuter

THE LEBANESE AGREEMENT

'No victor, no vanquished'

BY IHSAN HIJAZI BEIRUT, Feb. 15.

LEBANESE leaders were to-day busy assessing the programme of reforms announced by President Suleiman Franjieh last night for ending the ten-month-old crisis here. Most of these leaders had decided to take a wait-and-see attitude, but criticism has already come from former Premier Saeb Salam, a prominent Sunnit Moslem leader who declared his disapproval of putting in writing the assignment of the three top state posts to Christian and Moslems.

When the agreement was announced yesterday it promoted a display of unrestrained joy. Thousands of Lebanese on both sides of the confessional divide went into the streets to let off their guns. The firing began even before President Franjieh had finished his radio and television address. But this enthusiasm was apparently directed less at the contents of the Presidential declaration than at the signal that marked the official end of the civil war.

Under the 17-point programme announced by Mr. Franjieh (in which, for the first time Lebanon was described as "an Arab state") the tradition of giving the presidency of the republic to a Maronite Catholic, the Premiership to a Sunni Moslem and the speakership of parliament to a Shia Moslem is to be preserved. In parliament, there is to be an equal distribution of seats between Moslems and Christians, to replace the 33-year-old formula of six-to-five seats in favour of the Christians.

Another significant point strengthened the powers of the Premier and made them independent *from the President.* The programme provided that the Premier will be elected by Parliament and not chosen by the President as is the case now.

In the civil service, the overall confessional distribution of posts is to be reduced so that only 140 top positions are distributed on religious lines. These are to be distributed equally between Moslems and Christians, the declaration said.

Defence

The programme provided for a stronger defence policy and armed forces, and for the establishment of a planning council for social, economic and financial reforms. Observers noted that a significant aspect of the reforms is that they do not seek to change Lebanon's basic free economic system, which is of major importance for helping this country recover its place as the Middle East's financial and trade centre.

President Franjieh declared that the application of these reforms will be dependent on the implemnetation of provisions of the "Cairo agreement" with the Palestinian commandos conclude din 1969

Syria whose intervention made the solution of the Lebanese crisis possible, had undertaken to guarantee the implementation of the Cairo agreement "in letter and spirit."

The Cairo agreement allowed the commandos to set up bases in Southern Lebanon and control refugee camps but also severely restricted their move*ments elsewhere in Lebanon.*

Observers said the sum total of the reforms is that they preserve the Lebanese status with some readjustments which uphold the Lebanese tradition of solving crises by compromise under the slogan "no victor and no vanquished."

However the Moslems have gained new powers while the gain for the Christians, is that they get a reconfirmation of their basic privileges. The new compromise heads off at least for the time being, the insistence by the left-wing for a complete change of the Lebanese system, though for how long remains to be seen.

Soft-line Israeli appointed

The Israeli Cabinet on Sunday approved the appointment of Prof. Shlomo Avineri as Director General of the Ministry for Foreign Affairs despite the opposition of various members of the Labour Party as well as of the coalition partner, the National Religious Party, L. Daniel reports from Tel Aviv. The opposition is based on Prof. Avineri's declared view that there is room for three states in the area of the original Palestine mandate—Israel, a Palestinian state on the West Bank, and the Kingdom of Jordan on the East Bank of the river.

[K]aunda sees war in [Rh]odesia as inevitable

[PRESID]ENT Kenneth Kaunda, [regarde]d as one of Black Africa's [most m]oderate leaders, predicted [a blood]bath before majority rule [is] introduced in Rhodesia, [Reuter] reports from Lusaka.

[The] inevitability of war in [Rhodesi]a was one of the reasons [Zam]bia's recently invoked *emergency, he told party* leadership from within the guerilla movement must be encouraged as a necessary prelude to a successful guerilla struggle.

Bloom writes: President [Kaunda']s remarks suggest that [he has] now ruled out the pos[sibility] that the current talks [between] the Rhodesian Premier [Mr. Ian] Smith and Mr. Joshua [Nkomo,] leader of the Rhodesia [internal] wing of the African [National] Council, can achieve an [acceptab]le settlement of the [Rhodesia]n problem.

[Howev]er, it is not yet clear [whether] Dr. Kuanda has joined [his fel]low Presidents from [Tanzania] and Mozambique in [their ap]parent decision to step [up mate]rial aid to Rhodesian guerillas. For the past [few mon]ths, partly because of [his] belief in the necessity [for a p]eaceful settlement in [Rhodesia] and partly because of [Zambia's] acute economic dif[ficulties,] President Kaunda has [continued] to favour the Nkomo [wing] of the ANC, while [Tanzania] and Mozambique have decided that a new

Rhodesia undoubtedly figured strongly in the discussions held a week ago in Quelimane, Mozambique between President *Kaunda, and Presidents Nyerere,* Machel and Seretse Khama (of Botswana). It seems probable that at that meeting, the Tanzanian and Mozambiquan Presidents also attempted to persuade Dr. Kaunda to recognise the MPLA as the legitimate Government in Angola—perhaps with some success, since the Zambian President has now said that Zambia is considering such a step.

Recognition of the MPLA, and more importantly, a Zambian decision to back stepped up guerilla war in Rhodesia, would be the death knell for the current effort at southern African detente, which has involved close contacts, including a personal meeting between Dr. Kaunda and Mr. Vorster, between Pretoria and Lusaka. However, whether contacts at some levels are maintained will depend heavily on the attitude South Africa now takes in Angola and—if the war is stepped up there—in Rhodesia itself.

[EE]C to approve \$300m. [loa]n to Ireland

[BY D]AVID CURRY BRUSSELS, Feb. 15.

[FINANC]E MINISTERS of the [Common] Market countries meet[ing in B]russels to-morrow will [give fin]al approval to an EEC [\$]300m. loan for Ireland. [They ma]y also hear from Italy [of its fo]rmal interest in receiv[ing a m]uch larger Community[-backe]d loan. It is under[stood th]at provisional arrange[ments fo]r raising some \$1bn. [from a] consortium of com[mercial b]anks have already been [made bu]t no formal steps can [be taken] until Italy applies for [the fina]ncing.

[After] the Council session [the] Ministers of the [countries] participating in the [currency] snake will meet. They [will be a]nxious to hear from the [French a]nd German representa[tives a] fuller explanation of [the decla]rations of support for [existing p]arity levels of snake [currencie]s and confidence in [the mec]hanism itself which [came] from the Giscard d'Estaing-Schmidt summit over the week-end. Similarly categoric statements about maintaining existing parities have come from the Belgians whose currency has suffered a severe battering within the mini Belgian-Dutch snake to the extent of occasioning official intervention probably to the tune of around £200m. to keep the franc and the florin within 1.5 per cent. of each other.

The Irish loan under an EEC scheme to help countries in balance-of-payments difficulty is coming from the Saudi Arabian Monetary Agency and is being passed on to the Irish on the terms set by the Saudis. It is for five years at 9.2 per cent. and is under joint Community guarantee. The conditions are that the Irish Government's indebtedness must not mount in relation to GDP and that the debt itself must be financed by non-monetary means.

[Ca]nada pay strike threat

[BY JAM]ES SCOTT TORONTO, Feb. 15.

[A NATIO]NWIDE political strike [against th]e Federal Government['s p]rice and wage controls [now] is a real possibility. [A decisi]on by Anti-Inflation [Board a]dministrator Donald [Tansley t]o uphold the AIB's 14 [per cent.] wage increase ceiling [for emplo]yees of Irving Pulp and [Paper of] New Brunswick has [angered ke]y leaders of the Cana[dian labo]ur movement.

[Irving] and its 500 employees [reached a]greement in December [on a cont]ract retroactive to last [year pro]viding for a 23.8 per [cent. incr]ease. The agreement [was reach]ed without a strike [a]s many as 25,000 pulp [workers a]t other companies in [eastern C]anada have been on [strike. Th]e company went ahead [with t]he rate. The company ignored the AIB order and became Mr. Tansley's first case. On Friday he fined the company \$25,000 and ordered it to pay to the Government the \$100,000 overpayment to the employees. The decision is a warning to other companies that they face stiff penalties and fines if they knowingly contravene AIB decisions.

Mr. Joseph Morris, President of the Canadian Labour Congress, said the decision indicates the administrator has a commitment "to the Government's plan to destroy whats left of free collective bargaining in Canada acd the congress is warning the Government that its interference with normal collective bargaining will not be docilely accepted by the CLC and its affiliates."

[Exp]orts key to Japan recovery

[BY PET]ER DUMINY TOKYO, Feb. 15.

[JAPAN'S] business recovery is [now gener]ally acknowledged to [be almost] wholly dependent on [the] export performance [—i]n contrast to all pre[vious an]nouncements on the [subject] which emphasised the [role of] Government spending [(more] recently) a supposed [rise in] consumption expendi[ture].

[The] economic planning [agency's l]atest monthly assess[ment make]s it plain that the busi[ness recov]ery faltered in the last quarter of 1975. There was virtually no further increase in industrial production, and for the first time ever in a post-recession situation, the ratio of producers' inventories to shipments started to rise again after having begun the decline which is normal in the recovery phase.

This trend does not mean that re-stocking has been unusually aggressive since last September. On the contrary, the phenomenon is apparently entirely explained by the weakness of final demand.

The Office World

Michael Dixon highlights a mistake made in reducing workforces

A natural wastage trap

WHY WAS the company chairman applauded after telling his 2,000 employees that their numbers must be cut to 1,350 over the next four years? Because he had explained that nobody need be made redundant.

Although the top management had calculated that a one-third saving in manpower before 1980 was essential, it had also worked out that year after year a steady 9 per cent. of the employees left of their own accord. So with the aid of a very few voluntary early retirements, the chairman said, the company could achieve the reduction simply by halting recruitment and relying on natural wastage.

"You could understand them clapping," said Mr. Malcolm Bennison, of the Institute of Manpower Studies. "Rumours are inevitable, and by the time the staff cuts were announced almost everyone would have worried himself into expecting the sack any day. At times like that, natural wastage is a beautiful idea: it means "not now" and, above all, "not me."

Ashley Ashwood

Mr. Malcolm Bennison

"It's a beautiful idea for the top managers, too," the IMS manpower-planner went on. "It has allowed them to face up to their problem and find a way round it without hurting anyone. But the trouble is that it is a beauty which tends to be only skin deep, and by the time they've recognised that, the company stands to be in all sorts of trouble."

This is not to say that the managers exemplified here were mistaken in calculating their rate of employee turnover at about 9 per cent. Rates of that order are common. Take, for instance, the London clerical staff who make up one of the categories covered by the Institute of Manpower Studies' annual manpower survey. Among the 22,077 men, the latest figures show a turnover of 1,950—or 8.8 per cent. Among the 51,314 women, the wastage was 4,813—or 9.4 per cent. On the face of it, there was nothing unreasonable in our company chairman's calculating on an annual wastage of 9 per cent., which would reduce his workforce to about 1,820 by 1977, 1,655 by 1978, 1,505 by 1979, and 1,370 by 1980, leaving only 20 extra people to be "saved" over the period by way of voluntary retirement.

The pity is that this company, like many others particularly of medium and small size, has not bothered to work out its manpower statistics to a deeper level than the average figure. Had it done so, it would have seen that overall averages for employee wastage are worse than useless, because they are misleading.

Wastage rates vary with different sorts of workers. For instance, in one nationalised industry in 1974 non-graduate managerial staff showed a "half-life" (the age by which half of those initially recruited had left the concern) of 32, whereas graduate managerial staff showed a half-life of only 25. Wastage also varies with the industry's economic conditions: in 1972, a worse trading year, the same nationalised concern's graduate managers showed a half-life of 37. And—which is more important for the company in our example—wastage rates also vary with different lengths of service.

For the sake of simplicity, let us suppose that this company's wastage rates varied only with length of service. Let us also suppose that the make-up and wastage variances of its workforce where similar to those of the London clerical staff whose details are included in the IMS survey document. In this case, the company's position at the outset would be as follows:

Service	No. of people	Wastage rate
0-1 yr.	300	17%
1-2 yr.	250	12%
2-4 yr.	350	9%
4-8 yr.	460	7%
8-16 yr.	320	5%
16+ yr.	320	5%

It is in this position that the company stops recruiting and letting natural wastage take its effect. As a result, at the end of the year there is a loss of about 51 people from the shortest-serving group, 30 from the next, 32 from each of the next two groups, and 16 from each of the last two. This gives a total of 177, which is very nearly the reduction which the 9 per cent. overall average predicted.

Compounded

Now, however, start the difficulties. Because recruitment was stopped, for the second year there are no employees in the high-wastage less-than-one-year group. And the past 18 months has also seen numbers of the various longer-established employees move along into the next length-of-service grouping. This process is, of course, further compounded in the third and fourth years.

As a result the company ends the second year with 1,691 employees instead of the budgeted 1,655; the third year with 1,581 instead of 1,505; and the fourth with 1,485 instead of the target 1,370.

"In other words, they are about 8½ per cent. in excess of their manpower target," said Malcolm Bennison cheerily. "And that, if they were right in predicting a need for a one-third cut by 1980, is going to mean going back on the chairman's promise and forcing some redundancies on people who by then, of course, will have been with the company at least three years. The beautiful idea of natural wastage has landed the managers with badder blood, greater expense, and more urgent problems than they would have had if they had originally looked into the manning position properly and done what was really needed.

"And there is no doubt that they could have gone beyond overall average figures for wastage," added Mr. Bennison, who is on secondment to the Institute of Manpower Studies from ICI. "Even if they have got no details for their own workforce, they can work out a reasonably accurate idea from information published, for instance, in the IMS survey. Getting to grips with wastage rates is at the basis of manpower planning, and that is becoming more important every year, but it is my impression that the general run of managers just do not understand how wastage works in practice."

Shy away

He feels that where manning is concerned, managers tend to shy away from objective inquiry which might undermine their optimism. They prefer to base their estimates on the Micawberish attitude that something might turn up in the economic situation to assuage the forecast profitability problems.

For example, as a manpower-planner, Mr. Bennison was some time ago asked to help a large organisation which had a definitely predictable need to reduce its workforce by 750 people over three years.

"Among the management," he said, "there was a 'Castor Oil' group which wanted to deal with this by making 500 redundant in the first year, and 125 in each of the other two. But this group was under heavy pressure from a 'Micawber' brigade who wanted 125 redundant in each of the first two with, if something good didn't turn up, the remaining 500 to go in the third year.

"So I sat down and did some calculating. Compared with the Castor Oil scheme, the Micawber plan would have cost the company an extra £1.75m. in salaries alone. That shows what—if you've got to make a profit—can happen if you let your heart rule your head in manpower matters."

Reconstructing work-form

In the first of a series of articles on white collar work reorganisation, Roy Levine looks at general attitudes and the work of Ashridge Management College.

THERE ARE a number of good reasons why the pattern of work in offices needs to change. Briefly, these can be summarised as the demand by employees for more information and participation, the urge to express themselves at work, changing expectations of the incoming generation and, most immediately, the need to motivate staff.

Many people accept to-day that there is a need to restructure the way we work. Yet very few people are actually doing something about it. There is a curious immobility at both management and trade union level, even though they each recognise that the die is cast for change.

Another curious anomaly is that a new form of working—by forming small, autonomous groups to run departments—is gaining widespread credence in the U.S. and parts of Europe, leaving the U.K. lagging even though this concept was first conceived in Britain (by the Tavistock Institute during and imediately after the Second World War). To aright this anomaly and bridge the gap, some research has been done at our own Ashridge Management College, the results of which has just become available.

Now management and unions may well respond by saying that the urgent challenge now is job protection and not job enrichment. But progressive minds will recognise that that is a shortsighted policy—any changes that may be brought about in any organisation in restructuring work requires years rather than months of preparation. So any initiative started now will probably bring its rewards in the next boom.

Most of the work carried out at Ashridge has been sponsored by Olivetti, a company that has been in the forefront of change both in its own factory and offices and in promoting ideas. Olivetti has sponsored a number of similar projects at various research institutes in Europe. The contribution which Ashridge makes is to formulate a package of case studies of white collar work reorganisation in Europe and then place the collective experience into a U.K. context.

In speaking to the researchers at Ashridge recently, I was impressed with their message that the U.K. needs to find its own brand of answers to work reorganisation rather than merely reproduce experiments conducted in organisations on the Continent and especially the Scandinavian countries which have taken the lead.

"From studying the Scandinavian situation we have found that work groups *can* produce benefits and that these benefits are greater the more participative the exercise," says Andrew Hepworth. The two specific problems the U.K. will have to work out, he says, are the role of trade unions (which are far more fragmented than in Scandinavia and therefore more difficult to bring in to any experiment on a national scale); and the apparent reluctance by management to experiment to the same degree as in Scandinavia (perhaps because the problem here is overmanning rather than a shortage of skills as in most Scandinavian countries).

Mind you, as Mr. Hepworth's colleague, Michael Osbaldeston, points out, we are not that far behind the Continent which is still at the thinking and planning stages — their joint researchers could only gather some 25 case studies of work reorganisation in the white-collar sector in Europe.

Some 15 of these have been prepared for training and dissemination purposes, of which only a handful are ready for publication. The first of these is the Con-Form study alongside which shows what can be done in a small organisation. Other case studies will follow on this page over the ensuing weeks.

Perhaps the most celebrated example in the U.K. is the South Eastern Electricity Board which has been well documented and needs no explanatiin here. There is certainly interest in the U.K. and it is hoped that the studies presented will spark off some action.

Ashridge is not the only organisation to initiate studies —the Work Research Unit at the Department of Employment has provided grants to nine other universities and research bodies totalling £207,000 to study the quality of working life in both the white-collar and blue-collar sectors.

These grants are the result of the initiative o partite Steering Gr Satisfaction consist TUC, CBI and the set up under the pr servative governmen

But these studies several years befor contribute to the information which and unions can use.

For the moment, at Ashridge. It may bear in mind the Dr. Bernard Barry, sees the research e is at present between the educa and the types of business can offer. new workers will e participation and r —demand which c met by creating s groups.

"In considering w isation, however, should remember th faction is only 'hygiene' factor include pay an environment) that to a happy and effic

Perhaps it is to distill from the lim ence available in E generic lessons can But basically the have surfaced to dat the creation of groups often obsolescence of some functions; can hav sions on the wag system; requires t education to overco attitudes; can lead promotion prosp finally, requires a that has emerged needs of each rather than an impo Most of these facto lighted in the case side.

The secretarial chefs

BY EVE MACPHERSON

A WIFE who could cook used to be considered a prerequisite for any successful businessman. Nowadays a secretary who can cook can be even more of an asset. For the smaller company, particularly which cannot justify a directors' dining room and which finds taking clients out to lunch too much of a financial strain, a versatile executive secretary who can swap her shorthand notebook for a recipe book when the occasion demands is becoming more and more of a realistic proposition.

Of course, there are many secretaries who would claim—justifiably—that "it's not my job to be chief cook and bottle-washer." But not all secretaries fall into that category; just as many more are beginning to appreciate the break in routine, the additional interest, even the added status, that whipping up a simple souffle or a good-looking buffet for 12 affords them.

For the executive who entertains on his own premises there are a number of directors' dining room caterers who will prepare, deliver and serve (or cook on the spot) hot or cold buffet or formal lunches. That way, everything from the table-laying to the washing up is taken care of by experts, but at a price: a reasonable lunch is likely to cost in the region of £3 a head. In some cases a sounder investment could be to spend between £20 and £75 on some cordon-bleu type training for a secretary already interested in cooking and well versed in the basics.

Learning

Prue Leith, owner of Leith's restaurant in London, is also head of a director's dining room food service and of Leith's Cookery School. She can see most points of view and in general she believes most good secretaries would enjoy learning more about cookery and using their new-found skills at work.

"On our beginners' course we teach the confidence-building dishes; things like quiche lorraine and coq-au-vin and chocolate mousse that looks tremendous but are really very easy to cook. Although we call it a beginners' course we don't really get right down to basics, we assume a certain knowledge of how white sauce and things like that are made."

The classes are held on Tuesday or Thursday evenings and a course of five would cost £30, ten costing £50.

"A company would soon recoup that kind of investment," Miss Leith explained. "Provided they used the girl's new skills. They would save a fortune, for instance, on having us deliver the food! A meal that would cost up to £3.50 a head from us, the secretary could probably cook for around £1 a head, since the company is already paying for her time anyway.

"Even if there are no facilities for cooking and she is expected to lay out just a cold buffet, remember that it is difficult to present food well unless you know how to cook it. Even a spread from Fortnums can look dull unless it's presented well, and that takes understanding."

Wendy Majerowicz, principal of the Tante Marie Cookery School at Woking, takes the "secretary to cook" idea even further. "In an ideal world," she maintains, "a secretary should take a cordon bleu diploma before her secretarial certificate (not the other way around or she'd forget her shorthand). Otherwise we have special courses here that would certainly help the girl required to do the occasional Boardroom lunch."

At Tante Marie there is a choice of part-time courses, ranging from half a day a week for six weeks to full five-day "Gourmet" courses.

Secretaries' own attitudes to learning to cook for the company do vary, but in general those who enjoy cooking seem happy to turn their skill to good use, always provided it does not interfere with the smooth running of their day-to-day work schedule.

Kay Chapman is secretary/personal assistant to a leading public relations consultant and prepares lunch for two or three people in the office every six to eight weeks or so.

"Nothing too ambitious," she adds. "Maybe a pate and coq-au-vin, or a cold spread in the summer. But I do quite enjoy it as a break from routine—and you do have to be very versatile in this job! I think it would be an advantage for executive secretaries to have some cookery training; I'd certainly enjoy being sent on a course."

Among those secretaries who don't cook as part of their job, there are some who would enjoy the additional duty. Pat Taylor, executive secretary to a Surrey firm of chartered accountants, is one.

"I would be delighted to prepare lunch and act as hostess. I would very much like to go on an advanced cookery course, and the occasional bit of haute cuisine would definitely add to the attractions of a secretarial job for me.

"The only provi make, though, is tha very happy to cook the lunch, then to g as hostess—I'd be happy if I just ha then be banished room!"

The head of the Cookery School in agreed soundly with a secretary cooking couldn't cook for room after twelve e said Miss Molly "Much better to en lance cook and lea professionals. Af would be just like a a bit of typing with now and again, wou

Nevertheless, "m the cook" is a cur life in British boar likely to remaoin so Leith put it: "Most —like anybody doing something dif change. And if s enough to be your then she is nice eno her hand to somethi

هكذا اصل الأصل

Lord Robens to head St. Regis UK

Robens, former chairman National Coal Board, is to e chairman of ST. REGIS INATIONAL of the U.K. the end of this month. He ucceed Mr. Spencer Higgin, s retiring as chairman and executive. As already ed, Lord Robens is also ding Mr. Higgin as a er of the Board of the concern, St. Regis Paper ny of New York.

r appointments held by Robens include chairman- f Vickers and of Johnson y.

★

Jean Baudrand has relin- d his post as a director and nt managing director of S INTERNATIONAL. Mr. Hay becomes executive an, Mr. Bernard Kutner s managing director, and rancis Lauder joins the as marketing director.

★

Derek Harding, registrar- ry of the Institution of rgists, has been appointed ceed Mr. Maurice Ashill he retires as secretary- of the BRITISH COM- SOCIETY on October 1.

★

I. S. Swallow, deputy chair- Courage, is retiring from ard of IMPERIAL GROUP annual meeting on March from the Board of Courage il 30. He will be retiring m his other directorships sociated with the Courage with the exception of his directorship of Courage and Barclay.

Mr. Swallow, as a vice-president of the Brewers' Society and as chairman of the Society's International Committee, will continue to be concerned in work for the industry.

★

Mr. Colin Trow has become director of finance of TAYLOR INSTRUMENT COMPANIES (EUROPE), a subsidiary of the U.S. Sybron Corporation. Since 1967, Mr. Trow has been financial controller of Plessey Aerospace.

★

Mr. Cedric Coates, until recently store development director of the Burton Menswear Group, has been appointed managing director of G. AND L. SHOPFITTERS.

★

Mr. T. J. Cookman has been elected to the Board of BRITISH CENTRAL ELECTRICAL. Mr. Cookman has been with General Electrical for many years.

★

Mr. A. J. Nicol has retired from the Board of LUCAS INDUSTRIES.

★

Mr. John R. Skae has been appointed secretary of DOWTY GROUP in succession to Mr. L. T. P. Banbury who has relinquished that position.

★

Mr. William H. Maurhoff, a vice-president in CHEMICAL BANK LONDON, will assume responsibility later this month in Sao Paulo for all Chemical Bank's business in Brazil, including its participation in Banco Noroeste de Investimento. Mr. Maurhoff, who has been attached to the London office since 1972, has been chief credit officer for two of the bank's three European regions.

★

Mr. Colin J. Harper has been appointed to the Board of E. Z. INDUSTRIES and of the principal subsidiary, Electrolytic Zinc Company of Australasia.

★

Mr. John Wooldridge has been appointed to the newly-created post of motor industry market development manager for the steel tube division of TUBE INVESTMENTS. He joined the TI group in 1946.

★

The London regional office of the LEEDS PERMANENT BUILDING SOCIETY has been divided into two sections—East and West. Mr. Edward S. Germaine has been appointed London (East) regional manager and Mr. Ian Bell, formerly London regional manager, takes charge of the new London (West) region.

★

Miss Janet G. McCurrie has joined BANKERS TRUST COMPANY in the newly-created post of legal adviser. As a member of the bank's legal department, she will be responsible for legal matters of banking business at the London offices.

Mr. Emmanuel J. Olympitis has joined Bankers Trust International as a manager in the international project finance and loan syndication group in London. He will assist Mr. Robert R. Tarter, loan syndication manager, in arranging medium-term Eurocurrency credits for international borrowers.

★

Mr. David Margand has been appointed marketing and sales director of the closures and plastics division of UNITED GLASS. He replaces Mr. John Griffin, who recently became the division's managing director.

★

Mr. K. Courtenay Hawkins, Jr., senior vice president of SECURITY PACIFIC BANK has been appointed European territory administrator, headquartered in London. He succeeds Mr. A. Randall Thomas, Jr., who has become executive vice president and administrator of the bank's Northern California headquarters in San Francisco. Mr. Thomas has also been named a member of the bank's management committee. Mr. Joseph C. Feghali has been made a senior vice president of the newly-formed Middle East and Africa Territory, headquartered in London.

★

Mr. Giles M. B. Nixon has been appointed product planning director of COMPAIR CONSTRUCTION AND MINING.

★

The WINE DEVELOPMENT BOARD has appointed five regional directors. They are Mr. R. G. Aikens (East Anglia), Mr. C. G. Clay (Yorkshire and Humberside), Mr. R. Gunn (West Midlands), Mr. V. Larvan (North West), Mr. J. V. Naughalty (South West) and Col. J. L. Sanderson (North East).

CBI likely to urge big tax changes in Budget

BY ADRIAN HAMILTON

THE CONFEDERATION of British Industry is likely to urge Mr. Healey, Chancellor of the Exchequer, to make substantial changes in corporation tax and the higher reaches of income-tax in its representations on the Budget.

The cost of its planned changes, which it estimates could amount to over £800m. in a full year, could it thinks, be met by raising the standard rate of VAT to 10 per cent.

The CBI is also anxious that the next Budget should not include any reflation of the economy, although it is prepared to see some action to raise consumer demand in the summer should this be necessary.

Its thinking is contained in a confidential paper from the economic policy committee to be presented to this full meeting of the CBI council on Wednesday.

It will be several weeks before the CBI formally makes its Budget representations to the Chancellor and the ideas of the Confederation's economic staff are still provisional.

But the broad outlines of its thinking are becoming clear from its interpretation of the economic situation in the country.

Convinced that manufacturing industry is at last beginning to turn the corner of the recession, but cautious in its view of the speed of the upturn, the CBI is primarily anxious that nothing should be done to upset the progress made in reducing inflation and wage increases.

Its main aim in talks with Mr. Healey, therefore, will be directed to ensuring that the pay policy is continued and tightened after August and that nothing is done at this stage to stimulate consumer demand.

Although Mr. Healey is hoping that the outlines of the next phase of the counter-inflation policy can be agreed with unions and employers before the Budget—to enable him to build his Budget policy on this assurance—the CBI still feels that nothing should be done until the picture becomes clear next summer.

When the next phase does become clear, then it accepts that there may be some need to review the situation and possibly take action to help stimulate the revival.

In the meantime, it argues strongly that the Government should concentrate on freeing resources for industrial investment and reducing the burden of direct taxation on the higher paid—a move requiring a substantial cut in the public expenditure programmes.

The kinds of physical action it would like to see in order to achieve this would include:

Steps to bring forward industrial investment, including making taxation capital allowances available for offsetting against advance corporation tax;

Improvement in company profitability by an ending of the Price Code, a reduction of the level of corporation tax, abolition of Stamp Duty on loan stock issues, phasing out dividend control and an improvement in the stock relief system;

Assisting smaller firms by reducing capital taxation and indexing the capital gains tax;

Relieving the burden of tax on management;

Abolishing the higher rate of VAT and compensating for this by increasing the standard rate, possibly to 10 per cent.

As costed out by the CBI economic staff, the most important moves would be the reduction of corporation tax to 45 per cent. (which might cost the Treasury about £250m. a year); abolition of the higher rate of VAT except for petrol (costing some £300m.); and indexation of capital gains tax (which must cost £150m.).

During a full year, this would be more than compensated for by raising VAT to 10 per cent.

In the immediate financial year, 1976-77, the cost to the Treasury might be over £400m. because of the effect of the changes it proposes in advance corporation tax and the smaller impact of raising VAT.

The proposal has still to be approved by the Council, which is hardly likely to quarrel with lower taxation, but may not like the raising of VAT.

On the whole, the broad trend of the CBI thinking agrees with the Treasury view that resources ought to be freed for manufacturing investment and that taxation on the higher paid should be reduced.

But again the question of raising VAT might arouse serious problems with the unions because of its impact on the cost of living.

Fashion exhibition site starts row

BY RHYS DAVID, TEXTILES CORRESPONDENT

A SPLIT has developed in Britain's fashion trade over the decision last month by the Clothing Export Council to move the industry's premier show, the international fashion fair, from London to the new National Exhibition Centre at Meriden, near Birmingham.

The decision, which was taken because of dissatisfaction with the facilities available in London in recent years, has lead to the formation of a breakaway group of London-based fashions concerns, who are now proposing to hold a rival show at Earls Court early in April at the same time as the Birmingham exhibition.

The move to Birmingham was made because it was felt foreign visitors in particular had not been seeing U.K. merchandise to its best effect at previous shows at Earls Court in London, and last year at the Biba premises in Kensington, London.

Now the trade has apparently split into two camps, reflecting on the one hand those who say they will never leave London, and on the other, those who say they will never go back to Earls Court.

Charter of Human Rights is urged

By Richard Evans, Lobby Correspondent

THE creation of a comprehensive Charter of Human Rights to give citizens the means to seek legal remedies against official injustice is endorsed in a Labour Party discussion document.

The proposal is put forward by a party committee which includes Mrs. Shirley Williams, Prices and Consumer Affairs Secretary as chairman, Mr. Sam Silkin, Attorney General, and Mr. Peter Archer, QC, Solicitor General.

It also has the backing of the predominantly Left-wing Home Policy Committee under Mr. Anthony Wedgwood Benn and stands an excellent chance of becoming party policy.

The Charter would give people the right to take public officials to court to justify their actions if these were held to contravene the Charter, which would be based on the safeguards in the European Convention on Human Rights.

But instead of having to go to the European Court at Strasbourg an aggrieved party would be able to seek redress in Britain.

"It is time for the scales to be tipped back in favour of the ordinary man," the pamphlet says. Present institutions did not make it easy for a citizen with a grievance to succeed in obtaining a remedy.

Mrs. Williams claimed at the launching of the document in London on Saturday that the Labour Party's record in the field of human rights had been the best of all main parties since the beginning of the century.

"We hope it will infuse into the courts and be taken into account in court decisions," she said.

Other Home News on Pages 20, 25

Employment levels too high shipbuilding chief says

BY JOHN WYLES, SHIPPING CORRESPONDENT

A BLUNT warning to the Government that there will be no commercial basis for maintaining employment levens in the shipbuilding industry after its nationalisation this year was given yesterday by Mr. J. Graham Day, chief executive designate of British Shipbuilders, the State corporation which will run the industry.

His gloomy view of future prospects for the industry's 60,000 workers came on the eve of crucial talks on the future of the financially troubled Maritime Fruit Carriers. The company accounts for 35 per cent. of the tonnage on order from British shipyards, and its new management will start talks in London to-day with leading banks on a possible rescue operation.

The MFC crisis was only touched upon by Mr. Day in a television interview yesterday which featured the first public warning he has made of the difficulties facing shipbuilding since he was appointed two months ago.

Mr. Day said in a radio interview that the industry's shortage of business, which is part of a worldwide problem, meant "we have to shelter as quickly as possible to avoid the maximum disruption of employment.

"The commercial aspects have yet to be defined, but if it is the intention to keep the industry at its present level, there will clearly have to be some social decisions taken by the Government."

Mr. Day wants responsibility for any "social policies pursued by British Shipbuilders to be with the Government.

He favoured a mixture of solutions to deal with Britain's shipbuilding crisis, and this might well mean direct Government aid, possibly involving building ships for stock, for yards which the Government may decide must be kept open for social reasons.

The likelihood that the Government will have to take some difficult decisions on ship building before the year is out has been strengthened by the MFC crisis, when the group defaulted on $23.5m. out of total debts of $88.5m. The company is expected to present to its banks this week details of new financial control arrangements proposed by City Accountants, Price Waterhouse.

Informal discussions have already familiarised some of MFC's banks with the scale of the company's problem. After detailed discussions this week, the banks are likely to take some time to work out the precise nature of a rescue operation.

Those involved include Bankers Trust International, Marine Midland of New York, and First National Bank of Boston.

In the meantime, MFC looks likely to try to ease its liquidity crisis by trying to sell part of its profitable fleet of 40 refrigerated vessels, all on charter to Salen, the Swedish shipowner.

This week's talks will be closely watched by the Government, which is aware of the potentially serious effects on shipbuilding jobs of MFC's abandoning its British commitments.

Options on nine of an original batch of 13 tankers to be built at Swan Hunter have been cancelled by MFC's 75 per cent.-owned subsidiary Swan Maritime. Other ships due to be built to MFC's account are three large tankers by Harland and Wolff and two tankers at Scott Lithgow.

Lithgow's have already started building the first of these ships and Harland and Wolff had planned to lay its keels for MFC at the beginning of next year.

'Press freedom threatened by proposed new body'

LABOUR'S proposed Communications Council was "a machinery for the destruction of the freedom of the Press," the Press Council said yesterday. It would be "substantially political and weighted to the Left" and there was "no suggestion that there should be any Press participation."

The Council said the greatest Press skills were employed in persuading the public to read reports published. "Those skills cannot operate successfully under a system of compulsory publication."

It opposed an Advertising Revenue Board dispensing a newsprint subsidy, saying it was "the principal economic means of ensuring effective control of the Press on a differential basis."

The TUC's argument for such a Board were "a specious excuse for the political control of the Press." Proposals that the council should have the power to fine newspapers or suspend their publication were "totally irreconcilable with the concept of a free Press and contrary to the first object of the Press Council."

On selection of non-Press members, the Press Council would gladly consider nominations from outside bodies of people "of really independent, public-spirited and judicial quality of mind." The TUC and the Scottish TUC had said the trade union movement should nominate representatives.

The Council said: "The inclusion of trade union representation on the Press Council would be inappropriate, and it is strange that a body which makes a major complaint in its evidence to the Commission of alleged lack of acceptable political balance in the Press should set about establishing in an adjudicating body a flagrant political bias."

There was a tendency, it said in a reference to suggestions of changes or additions to the membership, to "treat Press ethics like brussel sprouts or any other common commodity."

On industrial democracy, the council said "recent instances of attempts to interfere with the Editor's discretion in the publication of material cause the Council to view with disquiet any proposal for worker participation in editorial functions." Editorial independence and integrity could not be expected to survive submission to an industrial committee of employees, who "may understandably be concerned with very different issues from those which should properly influence editorial decisions."

Save and Prosper may go public

By Stewart Fleming

THE SHAREHOLDE[RS] and Prosper Group[,] largest unit trust [...] company, controlling about £700m., have [...] cussions about th[e] public flotation of th[e] perhaps in the autum[n]

No decision has be[en] go ahead with the p[...] since much will dep[end] vestigations into [...] ticability of the mo[...] stock market conditi[ons] the time.

The company is [...] several financial [...] Baring Brothers, th[e] bankers, and Rober[t] and Company each [...] cent of the equity of Atlantic Assets Trust[,] ment trust managed [...] and Sime, also has a [...] stake.

In its accounts to [...] year Atlantic Assets [...] of £3.8m. on its 28 [...] making it the compa[ny's] single investment if [...] Brothers Internation[al] excluded.

Difficult year

Mr. J. V. Sheffiel[d] of Atlantic Assets, in [...] review last October d[...] year as "probably th[e] cult the company has [...] in the past decade."

He announced the [...] exclude from future [...] asset valuations the £[...] ment in Haw Par, w[...] balance-sheet date [...] accounted for about [...] of the company's net [...] of £17m.

Among the factors [...] decision to float Save [...] will be the profits [...] in the financial ye[ar] September 30—whic[h] to be satisfactory—[...] affecting individual s[...]

A flotation, among [...] would make the [...] shares more mar[...] change likely to be a [...] a shareholder wishin[g] a disproportionate [...] to an unquoted stock.

The other sharehol[ders] and Prosper are Ba[...] land, with 11.7 per ce[nt...] Assurance, 5.6 per [...] executive directors [...] ployees, 3.2 per cent

NUBE dr[...] foreign ba[...]

THE National Unio[n...] Employees is stepping [...] paign to get negotiati[...] the staff of foreign [...] banks in Britain. It h[...] Mr. Steve Gamble, a[...] as its chief negotiator [...] The union claims to ha[...] ing rights in 10 fo[...] already.

Businessman's Diary

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	Blackpool Gifts Fair (cl. Feb. 19)	Winter Gardens
Current	Welsh Gift Fair (cl. Feb. 19)	Sophia Gardens, Cardiff
Feb. 17—19	Brit. Growers Look Ahead: NFU Exbn./Conf.	Harrogate Exbn. Centre
Feb. 24—26	London Smallwares Trade Fair	Berners Hotel, W.1
Feb. 24—28	Automatic Laboratory Techniques Exhibition	West Centre Hotel, S.W.6
Feb. 24—28	National Stamp Exhibition	New Horticultural Hall
Feb. 25—28	Ideal Homes Exhibition	Market Hall, Carlisle
Feb. 26—Mar. 7	Boat Show '76	Belle Vue, Manchester
Mar. 1—4	International Men's and Boys' Wear Exhibition	Earls Court
Mar. 2—5	Italian Knitwear Exhibition	Italian Trade Centre, W.1
Mar. 9—11	Electro-Optics Exhibition	Metropole Centre, Brighton
Mar. 9—20	Chelsea Antiques Fair	Town Hall
Mar. 15—18	National Carpet Fair	Winter Gardens, Blackpool
Mar. 15—19	Furniture Production Exhibition	Nat. Exbn. Centre, B'ham
Mar. 15—19	Process Control Instrumentation Exhibition	U.S. Trade Center, W.1
Mar. 16—18	Sound '76 Public Address Equipment Exbn.	Bloomsbury Centre Htl., WC1
Mar. 16—20	Building and Public Works Exhibition	Kelvin Hall, Glasgow
Mar. 18—25	Euro Arts and Crafts Exhibition	Bingley Hall, Birmingham

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Current	International Toys Exhibition (cl. Feb. 20)	Paris
To-day	International Hardware Fair (cl. Feb. 19)	Cologne
To-day	Intl. Leather and Footwear Week (cl. Feb. 20)	Zagreb
Feb. 17—20	Offshore South East Asia Exhibition	Singapore
Feb. 19—26	International Food Fair	Brno, Czechoslovakia
Feb. 20—29	Building Exhibition	Brussels
Feb. 21—25	Design Engineering Exhibition	Dusseldorf
Feb. 21—29	Motor Show	Chicago
Feb. 22—25	American Toy Fair	New York
Feb. 22—26	International Spring Fair	Frankfurt
Feb. 22—27	Spring Gift, Jewellery and Housewares Show	Dallas
Feb. 25—Mar. 4	International Mechanical Handling Exhibition	Basle
Feb. 27—Mar. 7	International Boat Show	Stockholm
Feb. 28—Mar. 7	International Tourism-Exchange Exhibition	Berlin
Feb. 28—Mar. 14	Ideal Home Exhibition	Paris
Feb. 29—Mar. 3	European Fashion Fair	New York
Mar. 11—21	International Motor Show	Geneva
Mar. 12—19	Intl. Agricultural and Animal Farming Fair	Verona
Mar. 13—21	International Book Fair	Brussels
Mar. 14—21	International Spring Fair	Liepzig
Mar. 15—20	Spring Clothing Fair	Beograd
Mar. 18—21	International Fashion Fair	Copenhagen
Mar. 19—22	LAVASTIR '76	Milan

BUSINESS AND MANAGEMENT CONFERENCES

Feb. 17—18	Financial Times, Chamber of Commerce and Industry, Kuwait, Fairplay International Shipping Weekly: Arab Shipping and Trade	Chamber of Commerce and Industry, Kuwait
Feb. 17—20	Petroleum News: Offshore South East Asia	Singapore
Feb. 18	A.M.R.: Selling to the Arabian Peninsula	Grand Hotel, Bristol
Feb. 18—20	Frank Jefkins: Effective Publicity Writing	Connaught Rooms, W.C.2
Feb. 22—Mar. 6	W. D. Scott: Organisation and Methods	Moor Hall, Cookham, Berks.
Feb. 24	E.B.I.: Prospects for Medium-Term Borrowing	Cafe Royal, W.1
Feb. 24—25	ESC-CBI: Product Liability/Fair Trading Now	Hilton Hotel, W.1
Feb. 24—26	Coll. Dist. Trades: The Financial Module	30, Leicester Square, W.C.2
Feb. 24—26	Dept. of Ind.: Maintenance Engineering	Royal Lancaster Hotel, W.2
Feb. 25	Imperial College of Science: Venture Capital	Imperial College, S.W.7
Feb. 26	Inst. of Fuel: Growing Energy	Royal Hotel, Southampton
Feb. 26	BCEMA: Profit from Plant Performance	Cafe Royal, W.1
Feb. 26—27	Fire Protection Association National Conference	Excelsior Hotel, Heathrow
Feb. 27	Inv. and Prop. Studies: Development Land Tax	Royal Lancaster Hotel, W.2
Mar. 1—4	ORC (U.K.): Paying People Abroad	Carlton Tower Hotel, S.W.1
Mar. 1—5	BACIE: Training for the Office	Training Centre, W.1
Mar. 3	Decimus: Communications Crisis in Industry	Quaglino's, Bury St., S.W.1
Mar. 3—4	Financial Times and Investors Chronicle: The City in National and International Finance	Royal Lancaster Hotel, W.2
Mar. 3—5	Urwick Man. Centre: Conditions of Contract	Slough, Bucks.
Mar. 4	Trent Polytechnic: Crisis Management 1976	Novotel, Sandiacre, Notts.
Mar. 8—9	Sussex Univ.: Crisis in Capitalist Planning	Brighton
Mar. 8—12	Kepner-Tregoe: Decision Mkg. for Senior Man.	Int. Airport Hotel, Dublin
Mar. 8—12	P-E Cons. Grp.: Planning and Control of Production	Training Centre, Egham
Mar. 8—19	Bradford University: Personnel Policy	Heaton Mount, Bradford
Mar. 9—10	Brunel Univ.: Employee Surveys	Uxbridge, Middlesex
Mar. 10—11	Financial Times, Varig Brazilian Airlines, Investors Chronicle: Business with Brazil	Intercontinental Hotel, Rio de Janeiro
Mar. 11	Fielden House: Dismissals—Fair or Unfair	Bury
Mar. 12	Focus Research: Foreign Investment in Venezuela	Waldorf Hotel, W.C.2
Mar. 12—15	Man. Studies: Managing the Smaller Company	St. Peter Port, Guernsey
Mar. 15—16	Food Manufacturers' Federation Conference	Grosvenor House Hotel, W.1
Mar. 17—18	Financial Times: Industrial Relations in 1976	Royal Lancaster Hotel, W.2
Mar. 18	WTI: Trading Opportunities in EEC and EFTA	World Trade Centre, E.1

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OVERSEAS CONSTRUCTION

The Financial Times proposes to publish a Survey on Overseas Construction. The provisional editorial synopsis and date are set out below.

Tuesday 24th March 1976

INTRODUCTION

OVERSEAS CONTRACTS

THE PROFESSIONS

FINANCE FOR THE CONTRACTOR

PROJECT MANAGEMENT

THE CHALLENGE OF THE OIL-RICH STATES

THE BRITISH PROPERTY DEVELOPER

EUROPEAN CONTRACTORS

NORTH AMERICA

LATIN AMERICA

AFRICA

JAPAN

AUSTRALIA

...would point out that the contents and date of the Survey are subject to complete editorial ...ation.

...urther information and advertising details please telephone 01-248 8000, ext. 631.

LABOUR NEWS

ACAS unfair to us, say company unions

BY LORELIES OLSLAGER, LABOUR STAFF

THE CONFEDERATION of Employee Organisations, representing about 30 staff associations and company unions outside the TUC, has expressed doubts about the impartiality of the Advisory Conciliation and Arbitration Service in carrying out its new tasks under the Employment Protection Act.

After several exchanges with ACAS Mr. Paul Nicolson, the confederation's general secretary, has written to Mr. Michael Foot, Secretary of State for Employment, asking for help.

Mr. Nicolson says that ACAS will be biased in favour of TUC-affiliated unions in any recognition dispute referred to it under the Employment Protection Act.

He released over the week-end an exchange of letters between himself and Mr. Jim Mortimer, the chairman of ACAS, in which he made the point that all trade union members of the ACAS Council are TUC nominees. "There is, therefore, an in-built bias against bona fide, independent, non-affiliated trade unions on the ACAS Council."

Mr. Nicolson takes particular exception to an internal ACAS memorandum instructing officials how they should behave if asked for help and advice by companies who want to set up staff associations.

The memorandum says ACAS officials should confine themselves to pointing out that any staff association must be certified as an independent trade union before it can benefit from many important provisions of the Act.

In addition, they should point out "the difficulties which could arise should a firm be subsequently faced with a claim for recognition by an independent trade union."

The memorandum adds that ACAS officials "should not become involved in giving advice on how staff associations should be set up.

Mr. Nicolson objects to a remark by Mr. Mortimer that he would regard it as "consistent with good industrial relations" to encourage non-TUC unions "to observe good trade union practice in their relations with other unions."

Mr. Mortimer then referred to the TUC's Bridlington Agreement, designed to prevent "*poaching*" *of members of one* union by another.

In his reply to Mr. Mortimer's letter, Mr. Nicolson said that neither his confederation nor any of its members were parties to the Bridlington Agreement.

In his letter to Mr. Foot he said: "We would be grateful for any actions you can take to assist us in obtaining an assurance from the Council of ACAS that it will act independently in any inquiry . . . and will not seek to impose on us rules and procedures of any federation of unions or *employers to which we do not* subscribe."

NUT move to fight jobs threat

By Our Labour Staff

LEADERS OF the National Union of Teachers are asking their members to endorse a series of steps designed to fight the "twin scandals" of teacher unemployment and oversized classes.

A policy document drawn up by the national executive for discussion at the union's annual conference in Scarborough at Easter says that "for the first time in over 30 years, there is a real danger that teachers who have given sterling service to schools will be sacked."

The executive recommends that the 219,000-strong union should express "complete opposition to the compulsory transfer of teachers if attempts were made to reduce staffing levels."

In addition, the executive recommends continuation and if *necessary extension of the* union's policy that members should refuse to cover for colleagues absent for more than three days. Strike decisions are to be reserved for the NUT action committee.

Mr. Fred Jarvis, the union's general secretary, warned yesterday that sanctions would be imposed in Surrey and Leicestershire if planned cuts in education went ahead. The sanctions would take the form of refusal to cover for absent teachers.

The executive is also asking the conference to endorse a policy for next year's round of pay negotiations under which the union would seek to maintain and if possible improve members' living standards, while seeking "comparability" of pay with similar professions.

The executive stressed the need for continuing efforts to secure a salary level equivalent to male average earnings for all teachers with at least five years' service. According to the union, the present minimum salary for *teachers in their fifth year of* service, is £2,655 a year, compared with average male earnings of £3,161 a year.

● The 63,000-strong National Association of Teachers in Further and Higher Education has decided to press for pay increases of £312 per annum for all members earning less than £8,500 a year.

It will also seek an agreement to pay this increase to teachers earning above £8,500 as soon as incomes policy permits.

Scunthorpe steel protest after shift economies

SOME engineering workers at the British Steel Corporation's Appleby Frodingham plant stopped work yesterday to protest against the management's decision to suspend employment of some of their colleagues *on* Sunday shifts which attract extra pay.

The Appleby Frodingham plant, part of the Scunthorpe complex, is the only plant where BSC has encountered industrial action over its attempt to reduce week-end working in the wake of its framework agreement on labour economies concluded with national union leaders three weeks ago.

The protest stoppage yesterday was confined to members of the Amalgamated Union of Engineering Workers at several sections, the Corporation said. Other craftsmen had accepted the proposed changes in Sunday working and Production had not been affected.

Since the national agreement was signed, BSC has generally preferred not to introduce changes in week-end working before it has reached agreement with the unions locally. Attempts early last month to introduce changes unilaterally led to widespread strikes in South Wales.

Environment planning for airports call

By Michael Donne,

THE URGENT NEED for a national airports policy, taking into account environmental as well as economic criteria, is emphasised in a statement today by the Council for the Protection of Rural England.

The economic recession, with consequent slackening in air travel demand, gives a unique opportunity to reassess airport policies, the Council says, and any policy must take into account environmental considerations.

Airports should be excluded from areas of high landscape, agricultural and ecological value. Developments should be limited in size and site to what was acceptable on environmental and planning grounds in the area concerned.

Existing airports should be used to such capacity as was compatible with these environmental and planning restraints, before new airports were considered.

"Past policies have led to unco-ordinated development, with *ad hoc* decisions being taken as problems arose. They have resulted in airport facilities being provided on an excessive scale and in the wrong place, with a consequent misuse of resources, despoliation of the countryside and, in particular, suffering from noise.

"The virtually unrestrained competition between airport managements needs to be brought under centralised guidance to ensure that development accords with planned national objectives which take all planning considerations into account.

"Until tihs is done no further arport expansion should be permitted."

Improvement in stainless steel sheet sales

A MARKED improvement in orders for stainless steel sheet and strip for both the British Steel Corporation and a leading private sector producer has brought a more optimistic feeling in Sheffield about the future of the industry.

Stainless flat products were one of the first steel area to be hit by the sharp fall in orders in autumn, 1974, and have been one of the areas worst-hit, partly because of their close relationship to the consumer market.

Now BSC officials are cautiously confident that the worst of the slump is over and the orders climb has now started. Initial buying began to be noticeable before Christmas but the continued rise now suggests that this is more than mere re-stocking.

At the Corporation's Shepcote Lane sheet mill orders have now climbed to above 55 per cent. of 1974 levels, when total demand was distorted by excessive stockpiling. Demand is expected to be at about 70 per cent. of 1974 levels by early summer.

USDAW move on 'special offers'

THE UNION of Shop, Distributive and Allied Workers has suggested to the Government that manufacturers should be obliged to print their "recommended selling price" on goods displayed in the shops so that customers know what to make of special offer "flashpacks."

In a letter to Mrs. Shirley Williams, the Secretary of State for Prices and Consumer Protection, the union said the present custom of "flashpacks" announcing, for example, "3p off" without giving a recommended price made it difficult to know for the housewife what the sale price really was.

Lord Allen, the general secretary of USDAW, added in his letter that apart from flashpacks, there were other confusing offers which could provide "a trap for store managers and staff, leading to prosecution and heavy fines."

Mrs. Williams, according to the union, replied that she realises the situation is confusing for both consumers and shop staff. USDAW's suggestions have been passed on to the Office of Fair Trading, which is considering the question of standardising price and other information at the point of sale.

Notice of Redemption

Occidental Overseas Capital Corporation

9¼% Guaranteed Sinking Fund Debentures Due March 15, 1982

...TICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement ...ed as of March 15, 1970 under which the above described Debentures were issued, First National ...y Bank, as Fiscal Agent, has drawn by lot, for redemption on March 15, 1976, through the operation ... the sinking fund provided for in said Fiscal Agency Agreement, $1,908,000 principal amount of ...entures of the said issue of the following distinctive numbers:

COUPON DEBENTURES OF $1,000. PRINCIPAL AMOUNT OUTSTANDING

28	1353	2639	4089	5535	7206	8567	9383	11347	12647	14006	15540	17009	18425	19541	21047	22145	23384
68	1355	2702	4103	5591	7227	8570	9587	11398	12650	14013	15559	17045	18428	19551	21052	22150	23408
92	1363	2716	4106	5592	7230	8581	10000	11401	12652	14033	15562	17082	18438	19553	21058	22201	23415
99	1376	2759	4113	5593	7231	8589	10025	11425	12680	14036	15563	17096	18475	19558	21062	22210	23444
101	1383	2767	4116	5594	7247	8600	10043	11440	12718	14043	15604	17109	18479	19576	21063	22215	23451
102	1386	2776	4137	5717	7253	8623	10046	11448	12720	14056	15608	17113	18485	19578	21072	22220	23473
119	1406	2794	4141	5725	7257	8627	10054	11463	12724	14081	15622	17117	18503	19597	21073	22237	23484
126	1420	2796	4163	5744	7282	8631	10086	11466	12733	14099	15626	17121	18532	19611	21092	22263	23491
131	1426	2808	4167	5791	7289	8636	10088	11480	12743	14110	15649	17129	18534	19617	21103	22286	23493
178	1440	2812	4183	5794	7305	8638	10111	11486	12744	14116	15687	17131	18546	19623	21105	22295	23502
290	1461	2817	4188	5804	7308	8646	10130	11490	12746	14123	15706	17140	18551	19628	21110	22298	23505
295	1463	2820	4189	5815	7326	8653	10170	11492	12755	14139	15735	17141	18559	19668	21132	22301	23512
302	1477	2839	4193	5825	7334	8678	10181	11504	12767	14143	15736	17148	18566	19692	21145	22315	23528
315	1492	2844	4194	5831	7335	8681	10211	11508	12780	14153	15761	17153	18575	19694	21169	22352	23529
340	1520	2849	4195	5833	7368	8685	10233	11511	12795	14154	15764	17168	18578	19712	21182	22363	23531
357	1525	2850	4196	5836	7382	8713	10235	11533	12796	14160	15769	17175	18580	19713	21190	22367	23538
381	1536	2854	4199	5840	7387	8805	10237	11558	12804	14163	15778	17177	18607	19720	21215	22368	23543
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	2467	3947	5406	7048	8395	9721	11200	12509	13838	15399	16861	18234	19378	20843	22047	23278	24796
[illegible]	2480	3948	5409	7049	8407	9731	11203	12510	13862	15430	16874	18243	19397	20849	22054	23280	24815
[illegible]	2482	3954	5417	7067	8408	9738	11255	12520	13872	15451	16879	18250	19412	20857	22058	23295	24822
[illegible]	2488	3961	5424	7072	8410	9795	11287	12521	13892	15474	16884	18280	19414	20871	22063	23299	24825
[illegible]	2495	3966	5427	7074	8412	9802	11288	12523	13919	15475	16887	18303	19431	20899	22079	23305	24842
[illegible]	2514	3969	5444	7078	8421	9818	11291	12524	13936	15482	16893	18304	19448	20901	22088	23310	24864
[illegible]	2558	4007	5447	7096	8432	9844	11301	12535	13943	15483	16911	18320	19463	20930	22091	23314	24882
[illegible]	2568	4033	5457	7102	8439	9854	11304	12538	13944	15510	16916	18330	19466	20962	22095	23325	24893
[illegible]	2575	4036	5468	7126	8440	9855	11321	12549	13947	15518	16919	18357	19467	20968	22100	23327	24903
[illegible]	2583	4038	5474	7127	8443	9862	11323	12570	13949	15520	16926	18365	19475	20971	22104	23329	24912
[illegible]	2585	4045	5493	7142	8467	9885	11354	12572	13954	15526	16968	18372	19485	20987	22117	23347	24940
[illegible]	2591	4049	5523	7149	8516	9895	11365	12611	13961	15531	16971	18386	19505	20999	22122	23349	24941
[illegible]	2608	4063	5527	7176	8527	9929	11370	12612	13970	15532	16988	18402	19522	21000	22135	23351	24945
[illegible]	2610	4067	5528	7177	8537	9952	11385	12622	13976	15535	16993	18408	19524	21027	22137	23362	24966
[illegible]	2660	4073	5534	7194	8560	9981	11389	12631	14000	15537	17002	18414	19533	21030	22138	23365	24977

...e Debentures specified above are to be redeemed for the said sinking fund at the **Corporate ... Services Department of the Fiscal Agent, 111 Wall Street, in the Borough of ...hattan, The City of New York, State of New York,** the main offices of First National City ... in Amsterdam, London, Paris, Frankfurt/Main or First National City Bank (Belgium) S.A., ...els or at the main offices of Algemene Bank Nederland N.V. in Amsterdam, Banque de Bruxelles in Brussels, Commerzbank Aktiengesellschaft in Düsseldorf, Dresdner Bank Aktiengesellschaft ...ankfurt/Main, Hambros Bank Limited and N. M. Rothschild & Sons in London, Banque de ...et des Pays-Bas in Paris and Banque Internationale à Luxembourg in Luxembourg, as the Com... paying agents, and will become due and payable on March 15, 1976, at the redemption price of ...ercent of the principal amount thereof plus accrued interest on said principal amount to such ... On and after such date, interest on the said Debentures will cease to accrue.

...e said Debentures should be presented and surrendered at the offices set forth in the preceding ...raph on the said date with all interest coupons maturing subsequent to the redemption date.

... above mentioned Debentures are part of the $2,220,000 March 15, 1976 Sinking Fund, $312,000 ...inal amount of said obligation having been delivered by the Company to the Fiscal Agent in ...dance with the terms of the Fiscal Agency Agreement.

For OCCIDENTAL OVERSEAS CAPITAL CORPORATION

By FIRST NATIONAL CITY BANK,
Fiscal Agent

...ary 16, 1976

FINANCIAL TIMES REPORT

Monday February 16 1976

LONDON HOTEL DEVELOPMENT

The Lounge following completion of extensive redecoration by Forgacs Reardon Ray.

A landmark refurbished

By H. A. N. Brockman, Architecture Correspondent

THE SUBSTANTIAL alterations which have been going on for the last eight years at Grosvenor House have been of daunting complication.

The original building comprised two blocks, one mainly occupied by flats, with a road in between; a lounge then occupied its place and there was a tunnel access between the two blocks. The kitchen operations were duplicated, the major part of the catering being done in the main hotel block, with much to-ing and fro-ing through the tunnel. A complete reorganisation of the catering areas has now been undertaken with vast improvements both in welfare and operation.

In 1963 Grosvenor House joined Trust Houses, later to join with Forte's and form the THF Group, one of the world's largest hotel and catering organisations. A redevelopment programme was planned on a very large scale for what is known as the Group's "flagship," Grosvenor House. The operation was to be carried out in two stages. The first stage, between 1966 and 1969, comprised improvements to all bedrooms, bathrooms and suites, and the second, between 1969 and 1974, carrying out similar work to the public and staff areas and to the kitchens and engineering services.

Public spaces have been replanned and enlarged. It is now possible to mount a conference for 2,500 people, 2,000 in the Great Room and 500 in the Ballroom with closed circuit television linking the two. In addition the bedrooms have been upgraded, together with the flats (a continuing process in the latter case with relatively short leases needing constant overhaul and refurbishing). In the hotel area there are 147 bedrooms and, in addition, 47 suites.

When the list of alterations was examined between architect and client it must have seemed that the simplest way to tackle the job would be either to demolish the building or to close it and reorganise the interior in one operation. But the very involved operation was fortunately eased by the departure to other premises of the International Sporting Club which had a substantial amount of club and residential accommodation, thus some overspill space helped the start of the work.

Grosvenor House was built in 1930 on the site of an early 19th century mansion belonging to Lord Grosvenor. The facades of the 1930 building were designed by Sir Edward Lutyens. The ubiquitous Pevsner has this to say about this large group, the exterior of which remains unaltered: "There is little to be said in defence . . . of the stone facing, arching and columniation . . . and the bare barrack-like walls. . . . From Hyde Park the four square towers . . . are quite impressive." Of the interior designs much remodelling was done by R. D. Russell and Partners, the latest work having been carried out in 1961 at which time the whole was regarded as "the best hotel interior of its date in London."

Grosvenor House, as a world-famous pied-a-terre and rendezvous, is a very grand place and to remodel such a building's interior is an intensely complicated work, having had to be spread over these years with no disturbance whatever to the distinguished clientèle. This grandness was, and still is, notably maintained in the Great Room where the largest conferences are held, and which during the last war served as the American officers' mess.

The huge space, 181 feet long and 113 feet wide, is surrounded by a gallery, between 14 and 20 feet wide, the outer edge of which is supported by columns, thus forming side aisles along the length of the room. Some eight enormous new electroliers provide part of the lighting, but nothing here detracts from its traditional opulence and the typical 1930s balustrade to the gallery stairs.

The Ball Room has a much more up-to-date flavour, with circular lighting in the coffers of the ceiling, but the fine "third empire" style balustrade to the blacony ties it back to the more opulent days of the Duke of Windsor and the many celebrities who met there: the room can be divided in two by a sliding partition to form a Grosvenor Suite and the Audley Suite.

A new entrance and staircase from Park Lane leads straight into the Great Room foyer with access also to the Ball Room, much confusion on the ground floor thus having been ironed out. The foyer contains a conference office, direct-line telephones and units for the storage of delegates' brief-cases.

The entrance from Park Street, with reception area and the main lounge, has been greatly improved. This very large space has been well broken up and planned on two different levels. The result is a surprising atmos[...] intimacy which is [...] here, as elsewhere, [...] tention of some of [...] pieces of furniture. A [...] continuity is engen[...] the not-so-very-long-ag[...] present are nicely b[...] sculpture by Davi[...] occupies the centr[...] lounge area, taking [...] of four bronze egrets [...] tentatively suspende[...] obvious strings and s[...] flight.

Panelled

The adjoining Can[...] and Voltaire Suite, a[...] expected, together ha[...] more conventional [...] with their fine pane[...] and rich appointment[...] bars under the insp[...] Aesop's and La Fonta[...] enjoy much good a[...] priate decoration. Th[...] a new La Fontaine [...] with suitably fabulo[...] and another called [...] the latter with a[...] Spanish decor. Perhap[...] successful is the Red [...] suitably dim and red-[...] a magnificent tapest[...] in angry colours.

The bedrooms, w[...] been substantially ren[...] sometimes rearrang[...] have that homely a[...] avoiding startling [...] stunts and in some [...] retaining in the ba[...] beautiful soft mottle[...] tiling from Germany.

Some facts, th[...] enough, can give so[...] the amount of wor[...] in the Lounge alone. 1,500 square yards o[...] pet which took 11 d[...] Two-hundred-and-fift[...] paint were used on [...] Over 100 individu[...] from nine differen[...] consultants put 2[...] hours into the wor[...] 13 months.

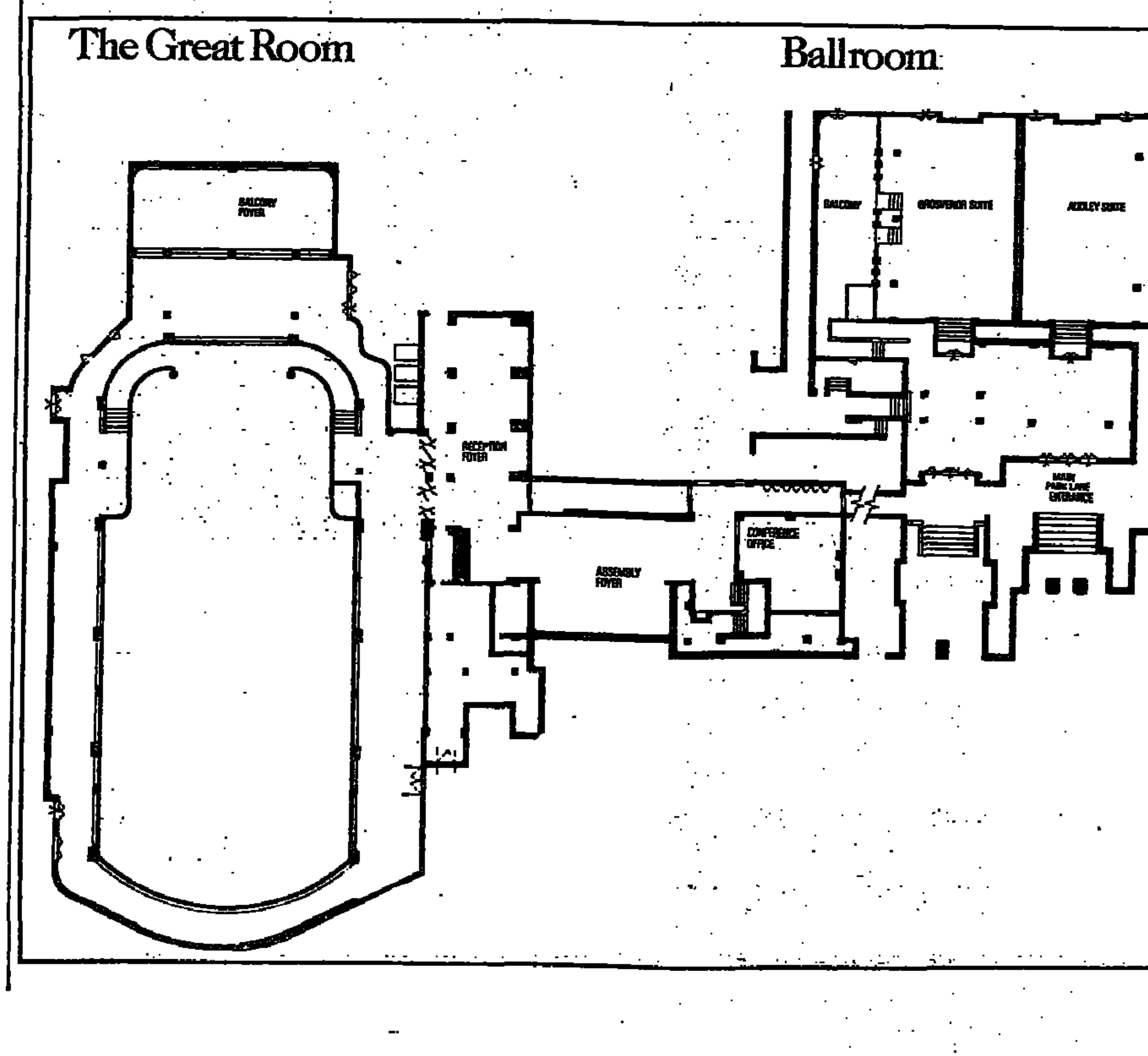
Throughout the [...] delivery of materia[...] posal of rubbish in[...] removal of 100 ton[...] with 12 daily collec[...] tailed in with del[...] materials.

Finally the kitche[...] have been complete[...] with air conditioning, [...] a highly sophisticate[...] tion and cooking [...] comprising several [...] ments, each under its [...] Here for the first ti[...] carcasses of meat [...] received, rendered [...] distributed to their a[...] kitchens. A unique [...] the kitchens is a sta[...] where self-service and [...] of choice introduces [...] that few kitchen staff [...] have experienced befo[...] is also a staff bar whe[...] can be obtained at [...] prices.

The Red Devil bar (named after the Parachute Regiment) which is situated just off the Lounge).

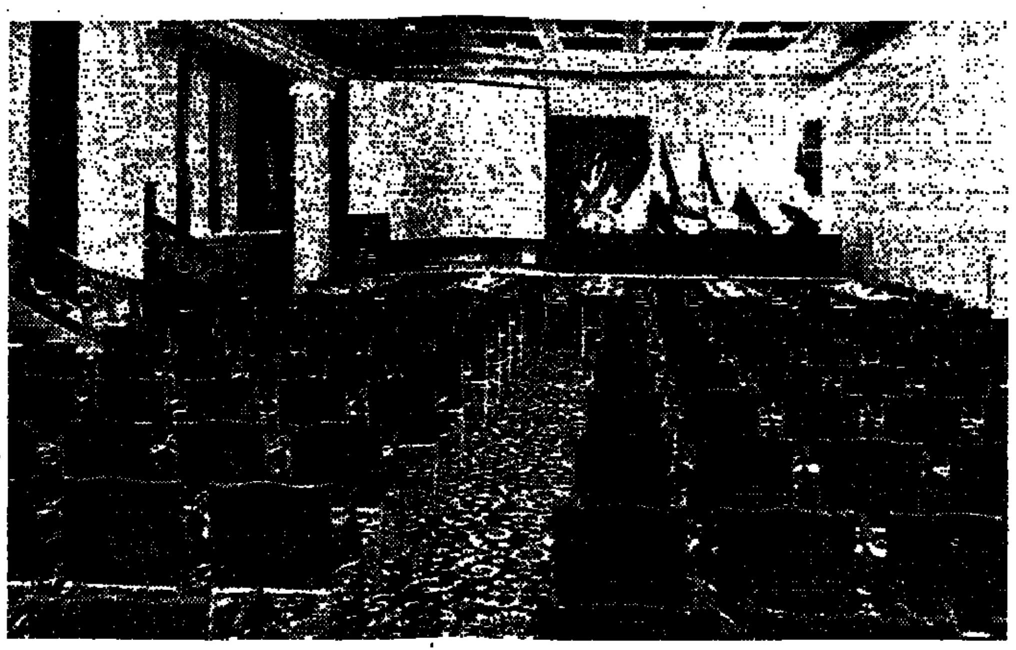
DESIGN AND CONSTRUCTION

Consultant Architects:	Peter Ednie and Partners.
Interior Designers:	Forgacs Reardon Ray
Engineering:	Crown House Engineering
Heating and air conditioning:	Rosser and Russell
Main Contractor:	Bovis Construction.
Quantity Surveyors:	Wakeman Trower and Partner[...]



هكذا أصل الأصل

LONDON'S HOTEL DEVELOPMENT II



...t: The La Fontaine, the de luxe restaurant. Right: The Ballroom, which for conferences and the like is equipped with audio-visual aids and a permanent loop for translations in up to six languages.

Survival of the fittest

...AS NOT many years ago ...in any gathering of ...rs or tourist industry ...s you would hear talk of ...th knell being heard for ...ture hotels of the world's ...cities.

...only in London, but also ... New York, Paris, Rome ...Amsterdam, the great ... were sure to disappear ... the waves of new ...ties. Tower block de... ...ents were going to take ...e tourist areas like latter... ...iffids which would not ...any competition to exist. ...sly, it was said, there is ...re for such anachronisms ... George V, the Plaza or ...es.

...life since then has ...omething of a turn. In ...ities the world over the ...estige operations have ...nd some of their owners ...riven from the market ... the fearsome economics ... business they never ...nderstood. But some of ...anachronisms" have not ...rvived, they have also ...ed. Anyone who saw ...or House ten years ago, ...edicted it might reach ...1970s as a paint-peeling ...of its former self, ...probably be somewhat ...d to see it to-day. And ... cities too the estab... ...oteliers have displayed their ability to react to new competition.

However, not only the gods have been on the side of the incumbent industry leaders. The world recession came at just the wrong moment for many in the hotel business and placed a burden on corporate planning which had never been foreseen.

Prodded

In London the lesson has been sharp enough. In the wake of blossoming demand, notably from the U.S., the Government decided to prod the British hotel industry into some sort of building action. The Hotel Incentives Scheme subsidised hotel building to a considerably degree. It did more than just edge hoteliers and developers into looking to the future, it sent them galloping ahead at full steam. To the shock and surprise of some residents in prime areas of Kensington, hotels arose apace, although the more established groups were not exactly in the forefront of the rush. Even at that stage people like Sir Charles Forte were warning of the dangers that lay in wait for the newcomers.

By the time the building programme had gone too far to be stopped, and it was a programme which was being echoed internationally — the tourist tide began to slacken. First the dollar weakened, then oil prices soared, and with them air fares. There was war in the Middle East and Watergate in America. The tidal wave of tourism never came, and the hoteliers of the world had to readjust.

Much of the new bedstock had been expensively built. Some of the more recently opened hotels in London have cost around £30,000 a room—which means a rate of £30 a night before there can be any real talk of profit.

Hotels which are this expensive to build and furnish are very highly geared as far as room occupancies are concerned. Since the capital investment is high, a few percentage points off the occupancy levels can produce frightening losses in a very short time. Older hotels are not faced with this basic servicing price to pay. Many of them are either freehold properties, or long lease operations at a relatively low fixed rental. Given that they have some fat on which to feed they have a measure of flexibility which is not always available to the modern skyscraper.

However, this presupposes one or two other basic necessities in the calculations. Even the grandest of mature hotels can be allowed to slip to such an extent that up-dating puts it in the same costs league as a new property. Some properties are so badly designed in the first place that the manpower requirements for successful operation would be prohibitively expensive. And some of the older hotels are simply badly located to-day. In London the centre of social life has moved perceptively westwards over the years. Temple Bar may once have been the heart of the capital, and later Trafalgar Square, but in more recent years even Piccadilly Circus has seen Knightsbridge begin to steal its thunder.

As it emerged Grosvenor House is not only well located, and may in fact have been helped by the proliferation of hotel upstarts within walking distance of its own front doors, but also well suited to adaptation to new needs, and new tastes.

The problem for any hotel to-day is to be all things to all visitors. This is particularly difficult in Britain, where there is still some reaction to hotel living as it is practised in other parts of the globe. The British are not always keen on sleeping in the same building in which they confer and in which they also eat. British hotels frequently have tiny restaurants thanks to the fact that the residents prefer to scurry in and out regardless of the weather in order to forage for themselves in the nearby catering by-ways.

Many hotels have attempted to overcome this in a variety of ways. Restaurants, and certainly banqueting rooms, frequently have separate entrances, and frequently strive for a different identity. At Grosvenor House the thought that people actually comment on the fact that the Great Room has a very pleasant hotel next door is greeted with delight.

It must have come as a considerable relief to the hotel that the basic building lends itself to handy compartmentalisation without too many problems. There can be few more irritating things for normal individual hotel guests than to suddenly find themselves swamped by badge-wearing delegates to some convention of spanner sellers. That Grosvenor House is able to separate off its various types of custom makes life a little easier for all.

Ahead

The task that faces this and other hotels of a similar style (at the risk of upsetting THF chairman Sir Charles Forte who is obviously convinced there is *no* other hotel of similar style) is keeping ahead of the game.

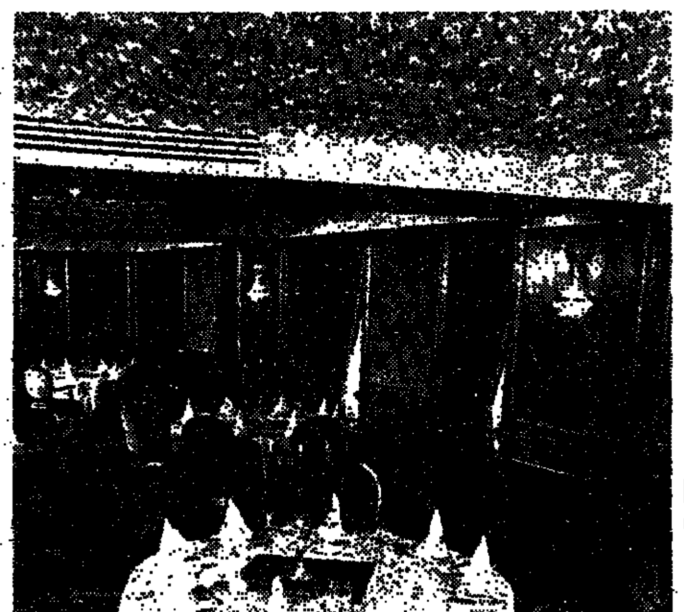
It is not going to be easy. Inflation is likely to take up much of the slack that rests between the older properties and the new ones, so that the rental differentials will not seem as great and the newer properties will find it easier to get the room rates they need in order to be profitable. At the same time the inevitable staffing requirements of older hotels could once more make difficulties.

Who is to say that more Governmental regulations affecting hotels construction and operation will not require expensive conversion work as the recent fire precautions rules have done over the past couple of years?

However, there are signs that the hotel over-capacity problem in London at least may have passed through its worst period and that therefore there will be more room for manoeuvre among hoteliers in the future than in the recent past. This should mean that the hoteliers will have the financial capacity to keep pace with change. Certainly there are already indications that some of the almost suicidal room rates being offered by some operators in order to capture enough business to keep them ticking over are beginning to disappear. Realism is returning to the hotel world.

It is pleasant, nonetheless, that even in an age of realism there is still the occasional operation like Grosvenor House. Perhaps in 24 years' time we can all gather in the Fontaine restaurant and look around at the way in which Grosvenor House is entering the 21st century. There is little doubt that it will be in style.

Arthur Sandles



The Voltaire Suite for banquets for up to 120 diners.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● POLLUTION

Economises plating bath metals

RECOVERY OF chrome and nickel from plating baths is possible with a device developed by Corning to allow platers to reduce their costs for plating chemicals while helping them solve their pollution control problems.

A compact unit, the Corning equipment has fully automatic one-button operation, eliminating the need for operator training. It is fully operational within five minutes after being turned on. In the event of a problem, the unit shuts itself down automatically, and an alarm light indicates the location of trouble.

Essentially, the unit is an efficient water remover that recovers concentrated plating chemicals.

When used just for partial recovery from a plating line's first rinse tank, the unit reduces requirements for plating chemicals by as much as 90 to 95 per cent. by recovering the chemicals from the drag-out plating solution.

Key component is a climbing-film evaporator with refractory metal vertical tubes heated by steam in the shell. The shell-and-tube unit is similar to evaporators that Corning has supplied to chemical process industries for many years.

The system includes a separator chamber that assures separation of "water-white" water vapour from the droplets of concentrated chrome or nickel solution; a shell-and-tube condenser-cooler that produces distilled water for recycling to a designated rinse tank (this contains less than 3 ppm metal impurities); a vacuum pump that maintains one-half atmosphere of absolute pressure, the level of vacuum calculated for best performance and economy in chrome recovery and of a control panel system mounted on the unit for automatic control of all functions.

Each unit requires 12 square feet of floor space, plus three square feet for the vacuum pump to handle conventional chrome, proprietary decorative chrome, plastic crome etch, hard chrome, dichromate conversion coatings, proprietary bright nickel and proprietary semi-bright nickel.

Corning Process Plant Division, Newstead Industrial Estate, Trentham, Stoke-on-Trent ST4 8JG.

Tunnelling under Bristol

A specially modified Dosco TM 1800 tunnelling machine has been put into service by Bovis Civil Engineering to excavate the 1,700 metre southern foul water interceptor beneath Bristol.

The company won the £1.5m. contract last August

The machine's rotary cutting head operates inside a shield which is "tailored" to match the 2.5 metre diameter of the tunnel. Behind it are primary and secondary conveyor belts, grouting equipment and five spoil carrying skips.

The carrying capacity of the skips is sufficient to allow a continuous cycle of excavation and installation of the tunnel's pre-cast concrete segmental lining.

● COMPUTING

SRL extends products and support

EXTENDING its range of computer peripherals, Systems Reliability has bought the entire remote terminal and video display interests of Electronic Associates.

Following this £½m. deal, SRL takes over total responsibility for the manufacture, marketing and maintenance of all EAL terminals.

In addition, SRL has bought the complete EAL spares holding and service support equipment and is putting both the DCT 132 remote batch terminal and another more advanced terminal, to be called the 132A, into production.

Marketing, sales, and systems support and maintenance for the 50 or more terminals already installed in the U.K. will be provided by Systems Reliability from its Luton operations centre. Production of the terminals will build-up rapidly at SRL plants in Luton and Hill-end, Fife.

One direct result of the purchase is expansion of the existing Systems Reliability branch in Brussels, which serves customers and installations in France, Germany, and Holland as well as Belgium.

Users of Digico Micro 16-V minicomputers will be interested to learn that Systems Reliability is expanding facilities and round-the-clock service support for this range.

The company is already contracted to provide full servicing and maintenance support for Digico machines installed on British Rail Southern Region, where Micro-16 computers provide the heart of a large network of real-time train describers—a contract worth some £150,000 over the next three years.

SRL engineers are being given additional Micro-16 experience and training and further staff are being recruited. Systems Reliability has provided service support for Digico since the company was first formed and all maintenance for machines in the Micro-16 series was originally provided by SRL.

Currently SRL is responsible for first line maintenance enhancement and servicing on more than 300 computer systems, ranging from the giant ATLAS installation at Cambridge and many large-scale, business systems to small dedicated, on-line process control computers at home and overseas.

Systems Reliability sales are approaching £2¼m. and the latest SRL development in computer maintenance is the extension of the company's present round-the-clock maintenance and support service for Digico Micro-16 users.

SRL is at Bilton Way, Dallow Road, Luton LU1 1UU. Luton 38581.

Automating agency jobs

COMPLETE low cost media services for advertising agencies are announced by Young and Rubicam and CMG Computer Management Group (Middlesex), 01-578 4563.

For television and radio airtime and advertising space invoicing, the system has been launched after five years of development and trials by the two companies.

Mediator (Media Time Ordering and Reporting) is offered as a complete service run by CMG on its own computers. As a comprehensive service it should run at a much lower cost than systems currently offered by the specialist computer bureaux providing services for advertising agencies.

Mediator will control the booking, scheduling and invoicing of television time, press space and radio time.

The system covers daily input of booking records and other client information and the subsequent automatic updating of a comprehensive master file. This computer file is used as the basis for the automatic production of invoices, summary invoices, credit notes and adjustment invoices, based on calendar months or fiscal periods (depending on how the client is serviced). When producing invoices, Mediator can automatically take into account all agency and series discounts as required, and add service fees where applicable. Additionally schedules are produced showing a plan of the advertising campaign. This can also be based on calendar months or fiscal periods but if required may be different to the invoicing periods.

The automatic schedules can be produced if a client wishes when the client is being invoiced. The schedules will show the current advertising campaign. Additionally requests can be input to the system to produce schedules at any other time, showing different periods to those analysed automatically.

Mediator enables the amendment of all rates used in invoicing and report production (for example, volume discounts) and where a rate is retrospective, the automatic production of adjustment invoices.

Pipework stresses analysed

UCC is making available on its 1108 computers a new program designed by the British Gas Engineering Research Station for the stress analysis of large and complex pipework systems incorporated in gas handling plants.

GASP-4 conforms to the requirements of the Institute of Gas Engineers Design Code IGE/TD/9A and provides analyses in accordance with the safety demands of the gas industry.

The program calculates displacements, reactions, stresses and fatigue life and is based on the stiffness method, incorporating the front solution equation-solving routine used in the finite element system.

Data is numeric only and the same data input format is used for as many data sections as possible. For example, the data sections for prescribed displacements, external loads, spring restraints and continuous loads are identical in format—as are those for temperature changes, internal pressure, soil stiffness and cold pull.

UCC, 344 Euston Rd., London NW1 3BJ (01-387 9661).

Barclays opts for Quantor

DURING MAY this year two NCR computer output on microfilm recorders will be installed alongside Barclays International IBM 370/158 computers, and will be used as computer peripherals. It is anticipated that microfiches they produce could replace up to 70 per cent. of their total computer output.

Equipment on order is the Quantor 643-105 and in the U.K. six banks have already installed Quantors.

In addition to standard software which produces fully indexed and titled microfiches, Barclays International will be taking a licence to use at least three of NCR's COM program products. Thees include the microfiche file update system which could be used to produce a data base on microfiche on customer ledgers and microfiche source listings which provides conversion of compiler print files on disc to COM tape.

NCR on 01-723 7070.

● HANDLING

Hardboard bins made to measure

BELIEVED TO be the first commercial application of the technique of creasing and folding hardboard, a storage and transit bin made by this method is now in production by Pressboard, Nailsworth, Glos., (045383 2634).

The bin is one result of joint development by Pressboard, the Fibre Building Board Development Organisation (FIDOR) and the Packaging Industry Research Association.

Said to be suitable for a wide variety of goods, the bin can be tailored to individual user's requirements, including the provision of castors. The production technique is stated to be very versatile.

Initially, the bins are 480 mm. high with a 480 x 445 mm. open top, with the sides slightly tapered to allow nesting when empty. Construction is by creasing, folding and securing the hardboard with bifurcated rivets.

Gas cylinder trolleys

FIVE INDUSTRIAL gas cylinder trolleys have been introduced by British Industrial Gases, Lea Road, Waltham Abbey, Essex, EN9 1AU. (Lea Valley 714777), a BoC Group company. Each trolley has a specific purpose.

One twin cylinder version is for carrying a cylinder of oxygen and one of acetylene; another is for oxygen and a 103 lb. propane cylinder. The three single cylinder models are for 45 lb. and 103 lb. propane cylinders, and a universal version.

All have rubber tyred wheels, and safety chains, and have been designed to keep trolley weight to a minimum.

● PROCESSES

Prints on adhesive tapes

FOR ONE-colour flexographic printing on self-adhesive tapes, Siat Packaging Systems, 28a, Grafton Square, London, SW4 0OB (01-622 4501), has developed the "L-Mini," claimed to be the only compact unit available for this application.

Made from a monobloc light alloy casting, it weighs 65 kg, measures 620 x 565 x 335 mm, and is suitable for bench or desk mounting. It is powered by a single phase 400W variable speed motor.

Output is up to 60 rolls of 66 metres per hour, printing at speeds from 15 to 110 metres/minute on rolls up to a maximum diameter of 170 mm. It will print on tape up to 50 mm wide with text lengths up to 314 mm. It is also capable of rewinding badly wound or dished rolls at speeds up to 110 metres/minute.

● *By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*

● CONFERENCES

Micros in controls

A TWO-DAY seminar to explain and give practical examples of the use of microprocessors in industrial measurement and control systems, is being organised by Sira Institute in association with Warren Spring Laboratory and will be held at The City University, London, October 6-7, 1976.

The programme will interest engineers and technologists concerned with the manufacture or use of industrial instrumentation and control systems. It is designed particularly for engineers and managers in medium and small con... show them how ... measurement and ... systems have been ... through the advantage... processor technology.

Sira Institute, So... Chislehurst, Kent ... (01-467 2636).

● SERVICES

CAD Centre threatened

THE UNANIMOUS recommendation of the twelve-member (nine from industry, three from the Civil Service) ad-hoc Computer Requirements Board set up last year by Sir Euan Maddocks, chief scientist to the Department of Industry, that the Computer Aided Design Centre at Cambridge should be scaled down, may provoke a storm.

There are already disagreements in Whitehall and in the computer industry. The ASTMS has put down a Parliamentary question and has been answered with the statement that "no decision has yet been taken."

The Department of Industry has, in fact, been promoting the work of the CADC, and the first knowledge some senior civil servants had that such a recommendation had been made was when they were asked about it by journalists.

Within computing and the computer industry, the Centre has long been contentious, attracting as many supporters as detractors. Among the latter are to be found some senior people within the software houses who consider that the Centre, supported by a grant in aid and costing about £5m. a year, provides unfair competition. The line here seems to be that the Centre's role should be handled by industry, though few in the past have ever indicated that they were willing to make the required investment.

Some CAD specialists feel this is a classic case of sour grapes. While not all agree that the CAD Centre is doing all that needs to be done, they take the general line that the Centre is the only one we have, that it has done a reasonable job and that its best years are yet to come, particularly because teams of this kind and size (the Centre is 120 strong and the recommendation would cut it down to 20 as well as changing its role) take years to build up.

One senior civil se... made it clear for a... that he believes the C... should be brought tog... the computing work th... done at Harwell and ... to create a British eq... France's IRIA, the bas... ment-backed compute... cations research centr... the fact that IRI... research role has neve... it from acting comme...

The Requirements ... commendation is ... character. The Board ... vened to consider fo... tions from CADC fo... funding. It was supp... vestigate the Centre's ... among others—visuali... basic software. It wa... stituted to consider ... not the Centre shoul... all. However, its term... ence seem to have b... ened during its existe... behest it appears, of ... scientist, to conside... CADC has any future

It was known t... decisions about the ... future would soon h... made. Its lease ru... 1977, and the Atlas o... partly depends was ... wound down.

However, the Cent... technically, were relat... cut. It was movin... providing a distribut... in which users would ... other machines at S... and the NEL as we... the Centre's own 190... Midlands.

The recommendatio... course, prove co... damaging to the Cent... leave questions hangi... air about who is to s... maintain some of its ... services.

It is known that ... mendation does not ... the DoI intends to ... support work in CAD ... whether putting the e... prospects of a large ... the few CAD spec... U.K. has at risk in s... term fashion is the r... go about supportin... another question.

CONTRACTS AND TENDERS

BANGLADESH POWER DEVELOPMENT BOARD

Directorate of Purchase, WAPDA Building, 9th floor, Motijheel Commercial Area, Dacca-2.

EXTENSION OF BID SUBMISSION DATE OF TENDERS UNDER KUWAIT LOAN

All interested bidders are hereby informed that the bid submission date of our tenders for procurement of different **ELECTRICAL EQUIPMENT AND MATERIALS UNDER KUWAIT LOAN** (Kuwait Dinar 5,575,000, approx. St. £6.5 million) has been extended as shown hereunder along with other relevant information.

Sl. No.	Tender Enquiry No.	Short Description of Materials	Bid Submission Date Original	Bid Submission Date Revised	Shipment Schedule (days) from Date of L.C Starts	Shipment Schedule (days) from Date of L.C Complete	Value of Documents
1.	PURPOWER/KUWAIT LOAN/75-76/ CONDUCTOR	ACSR & All Aluminium Conductors with Accessories	17-2-76	2-3-76	90	270	Tk.800/=
2.	PURPOWER/KUWAIT LOAN/75-76/ INSULATORS	Pin, Stay, Disc Insulators & Hardwares	24-2-76	11-3-76	90	270	Tk.400/=
3.	PURPOWER/KUWAIT LOAN/75-76/ CONTROL PANEL	Indoor Control & Relay Panel	27-2-76	16-3-76	90	270	Tk.400/=
4.	PURPOWER/KUWAIT LOAN/75-76/ ISOLATORS	11KV Gang Operated Isolators complete with Supports, etc.	2-3-76	22-3-76	90	180	Tk.400/=
5.	PURPOWER/KUWAIT LOAN/75-76/11KV RECLOSER	11KV OCR with Spares and Accessories	5-3-76	23-3-76	90	270	Tk.400/=
6.	PURPOWER/KUWAIT LOAN/75-76/POLES	Steel Tubular Poles with Accessories	9-3-76	29-3-76	120	360	Tk.800/=
7.	PURPOWER/KUWAIT LOAN/75-76/POWER TRANSFORMER	33/11KV Power Transformer with Spares & Accessories	16-3-76	5-4-76	240	540	Tk.400/=

Remarks:

a) Bids against Tenders of serial No. 1, 2, 3, 5 and 6 shall be evaluated SUB-GROUP-WISE and therefore, each item of Sub-group must be quoted. For the remaining 2 Tenders, evaluation shall be ITEM-WISE.

b) All bids shall be submitted by 11.00 a.m. (BST) on the respective dates.

Tender Documents may be had from this office till the day before the scheduled submission date. For the purpose, cost of the document in crossed Postal Order or Bank Draft favouring the Director of Purchase, BPDB, Dacca, shall be furnished with proper application.

All other terms of the tender remain unchanged.

(Md. Abdul Hamid)
Director of Purchase
Power Dev. Board

ANNOUNCEMENT OF PRELIMINARY SELECTION

PETROLEO BRASILEIRO S.A.—PETROBRAS

Rio de Janeiro — Brazil

1. PETROBRAS announces to all companies wishing to enter into contracts for petroleum exploration and oilfield development services in Brazil that it will receive applications for the preliminary selection of candidates interested in performing such services in the areas hereinafter specified.
2. The said contracts shall be executed in the form of "service contracts," whereby CONTRACTOR shall undertake to perform services for PETROBRAS, provided that CONTRACTOR's remuneration shall be contingent upon the achievement of commercial production.
3. In order to obtain the necessary application form, interested companies which can prove their fitness, technical and financial capacity, experience and tradition in such field of the petroleum industry, are requested to contact PETROBRAS, through their authorised representatives, at one of the addresses indicated below:
   —Av. República do Chile, 65
   23rd Floor, Room 2338,
   Rio de Janeiro, Estado do Rio de Janeiro, BRAZIL.
   —19, Avenue Montaigne,
   75008—Paris—FRANCE.
   —77, South Audley Street, 2nd Floor,
   London W1Y 5TA, ENGLAND.
   —1221, Avenue of the Americas, 22nd Floor,
   New York, N.Y. 10020—U.S.A.
4. The said application form is to be filled in by the interested company, and then returned to any one of the addresses indicated above, until 5 p.m. (local time), the 16th March, 1976.
5. Once the preliminary selection is concluded, the selected companies shall receive a written invitation, whereby they shall be informed of the basic conditions they must comply with for the purpose of making their bids.
6. It should also be noted that any such bids shall only be accepted in case the bidders commit themselves to pay for the geological and geophysical data and information and other related data and information available in connection with the areas referred to herein.
7. Participation in the said preliminary selection does not and shall not imply the granting of any guarantees, privileges or rights to any of the Applicants, it being understood that PETROBRAS is absolutely free to, at its sole discretion, cancel, remake or dispense with such preliminary selection, or invite whichever other companies it may choose in order to contract with same for the execution of the services referred to in this Announcement.

AREAS

Number	CO-ORDINATES OF THE VERTICES 1	2	3	4
I	61°00'W 4°00'S	59°30'W 4°00'S	61°00'W 5°00'S	59°30'W 5°00'S
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III	49°00'W 2°30'N	48°00'W 2°30'N	49°00'W 2°00'N	48°00'W 2°00'N
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VI	44°00'W 23°30'S	43°00'W 23°30'S	44°00'W 24°00'S	43°00'W 24°00'S
VII	46°00'W 24°30'S	45°00'W 24°30'S	46°00'W 25°00'S	45°00'W 25°00'S
VIII	46°30'W 25°30'S	45°30'W 25°30'S	46°30'W 26°00'S	45°30'W 26°00'S
IX	48°00'W 28°00'S	47°30'W 28°00'S	48°00'W 28°30'S	47°30'W 28°30'S
X	51°30'W 32°30'S	51°00'W 32°30'S	51°30'W 33°30'S	51°00'W 33°30'S

هكذا بالأصل

Building and Civil Engineering

ME HEATING

[arnessing the ın and wind

t research projects have ınched in Holland to find st and most economical of reducing energy con- on in houses.

scheme, costing Fl.7m. £1¼m.) is centred on 11 part of a municipal estate at Oss near S- enbosch and is led by l's building research ation Bouwcentrum and ted by the Government the big industrial group which has its head- s in Rotterdam.

cond scheme, now in the g stage, and expected to .6m. (about £1m.) is due t in March when four pe houses will be built to ew solar energy systems d for low cost houses. nergy's possible contribu- fuel saving will also be

houses will have water llectors and the other an lector. The former will or and ceiling heating in ation with radiators and er will have a normal air system. Each house will 5 cubic metre capacity water tank.

of the houses will also be investigate the possible ation of wind energy to heat. An extensive pro- of measurement is due at the end of this year ntinue until mid-1977.

second scheme is in col- on with Bredero (Build- poration) and TNO (In- of Applied Physics).

conjunction with the ntrum solar energy programme at Oss and same housing site, n, a subsidiary of OGEM ion, is testing a speci- ade boiler employing bed technology d in Britain by Fluid- n research work carried Professor D. E. Elliott at iversity of Aston in ham. First report on k appeared on this page 15, 1974, when industrial ons of the fluidised bed heat exchange system were suggested.

Basically, the Fluidfire heat exchange system works by "enlarging" the burner area in the heater. This is achieved with the aid of sand, the particles being kept in motion by air movement and heat being transferred via a tube bundle to the water.

The installation now under test at Oss may well prove to be the forerunner of a standard fluidised bed domestic boiler, but until tests, which will not be concluded until the autumn, are completed, Harmsen is not committing itself to the idea that a domestic market is assured.

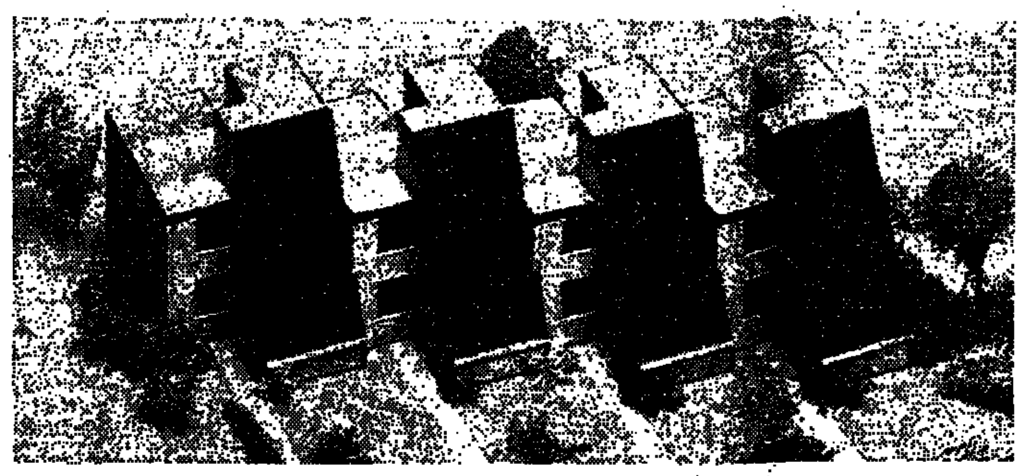
In the event of the Fluidfire boiler proving itself, Harmsen is prepared to undertake marketing and installation, but it would not manufacture. It would prefer a royalty deal with production in the hands of a U.K. manufacturer. Much depends on the results of the tests at Oss.

Investigations now under way at Oss cover insulation, air heating, heat recovery from ventilation air and fuel gases, the use of heat pumps, high efficiency boilers, improved temperature control and the use of solar energy for space heating and hot water supply.

Research has begun with studies of heat loss through windows, facades, roofs and ground floors and Bouwcentrum reckons that fuel savings up to 40 per cent. are possible. It is also suggested that use of air-tight facades alone could lead to savings of 10 per cent., although mechanical ventilation would then be needed.

It has also been found that fuel consumption is less if air heating is used and this is similarly the case when lightweight materials are used in the construction of a house.

One of the more spectacular activities of Bouwcentrum has been the development of prototype solar energy installations for low cost housing. It is claimed they would not be very expensive and that little maintenance would be needed.



Model of four experimental houses to be built in March

Fluidfire boiler in house at Oss

Examples of these installations may now be seen at Oss where families are living with all the paraphernalia of sensing devices and data collection systems around them.

In one task, results from four well insulated houses with air heating and solar collectors, are being compared with two other houses, one of which has air heating and the other hot water heating, but neither is insulated. Then there are five more houses in which different heat systems are employed and monitored by instruments.

Experiments are being carried out with two types of solar collector. One has a double-glazed top layer, then a 2 cm air cavity followed by a 30 cm thick concrete slab and finally there is a 10 cm thick layer of insulation.

Air passing through the cavity is heated by the concrete slab and is then transported by an air heating system into the house. This type of collector has the disadavantage of heat losses through radiation and the cooling of the heated air by the cold glass.

In the second type of collector air passes through pipes embedded in the concrete slab, thus avoiding cooling by the glass. The slab is also protected from cooling by a screen of insulation installed in the cavity. This screen is made from Rockwool panels covered with aluminium foil.

The screen is moved over the collector by means of an electric motor which is controlled by a photo-electric cell. If there is no sun the screen stays down and it moves up automatically when the sun appears.

The first type of collector is also used to supplement the house's hot water supply. In this case, pipes are installed in the concrete slab, are filled with water and connected to the water heater which has its gas flame automatically adjusted according to the temperature of the feed water.

Bouwcentrum estimates that in an average family house fuel savings for hot water supply could amount to 200 cubic metres of gas a year and a total fuel saving in an insulated house of 2,900 cubic metres of gas a year. Costs are estimated to be around Fls.9,000 (about £1,750)—Fls.3,000 for insulation and Fls.6,000 for the collector.

There are still problems to be overcome so far as the collectors are concerned, and Bouwcentrum thinks improvements could be made to the photo-electric cell arrangement and to the insulation screens.

In yet another energy conservation research project at Oss, Croon and Company, also a subsidiary of OGEM Installation, is experimenting with a heat pump. The latter may be considered as a refrigerator working in reverse. It pumps outdoor heat to a higher indoor temperature.

Croon's design is based on the average heating environment for houses in western Europe where there are moderate temperatures for long periods. For short periods of extremely cold weather an additional electrical heat source is added.

Croon is acting on the assumption that heat pumps in domestic situations are feasible and could be economic. It reckons the price of a heat pump system could be equal to that for conventional central heating, but cost of operation would vary, particularly in Holland where prices of gas and electricity differ according to area.

One of the snags with heat pumps is that heat produced decreases when the outdoor temperature is low and at a time when more heat is needed indoors. However, Croon believes that the advantage gained during long periods of moderate outdoor temperatures outweighs the disadvantage of the need for additional heat from electricity during very cold spells.

All the systems being studied at Oss are under constant surveillance by instruments which record data from about 200 points every few minutes and it is from this data that precise calculations are now being made for the design of future systems.

Bouwcentrum, in its second project, is planning its houses so that solar collectors are integral parts of the construction—a pointer to the time when the house designer's first consideration will have to be energy requirement — not aesthetic appeal.

ARTHUR BENNETT

£15m. job for Taylor Woodrow

TAYLOR Woodrow Construction has won a contract worth over £15m. from the National Coal Board Opencast Executive at Trecatty opencast coal site, Pantywaun, Dowlais, Glam.

The contract includes the extraction of about 1m. tons of coal, the operation of a washery and a disposal point, and the diversion of the Fochriw Road through part of the site. More than a mile of new road is to be constructed before operations in that area can commence.

Including restoration, the work is expected to take five years.

Taylor Woodrow has been working for a number of years at the nearby Royal Arms and Rhymney opencast coal sites, under contracts to produce over 4m. tons of coal.

Trade union college in Australia

IN A joint venture with AB and MA Chick Pty., Costain Australia has been awarded a £2.2m. contract by the Australian Government to build the Australian Trade Union Training College at Albury-Wodonga.

The complex will be on a 300-acre site and located around a courtyard in four functional groups: administration, training and education, residential accommodation and dining and recreation.

The project includes a swimming pool, lecture seminar, and conference facilities, video studios, a computer area and library.

Profiled concrete for safety

THE FIRST length of concrete safety barrier in Britain has been installed on the A41 (M) at its intersection with the M40 Westway at Shepherd's Bush, in West London.

Profile of the barrier, has been calculated to ensure that vehicles do not surmount, penetrate or deform the barrier. Instead, they are re-directed back onto the carriageway with only minimum damage to bodywork. Depending upon the speed and angle of impact, the vehicle's wheels climb the slope of the barrier; Impact energy is absorbed by compression of the vehicle's suspension system and not by its bodywork being twisted or crushed. Crushing of the vehicle is minimised and the concrete barrier suffers no significant damage.

The work was carried out under the supervision of the London Borough of Hammersmith (director of engineering, J. W. R Rumsey), by A. A. King (Contractors). The precast sections were supplied by Redland Precast.

Houses in Kent

FPA Finnegan has been awarded a £2.2m. contract to construct over 200 houses for Medway Borough Council in Kent.

The Rochester division of Finnegan which will handle the work, is already building over 140 dwellings for the same local authority on two sites, one at Cliffe, near Rochester, and the other in the Chatham area.

The new contract is on the Princes Park site at Chatham. Work begins on March 14 and will take about two years to complete.

Homes by the Thames

A CONTRACT for 262 homes plus civil engineering work on the site of Thamesmead's Area J is to be let to New Ideal Homes on a design and build basis.

The project, which is subject to planning permission from the London Borough of Bexley, will cost about £4.6m.

The scheme includes 80 one-bedroomed flats, 82 three-bedroomed houses for four people and 100 three-bedroomed houses for five people. The dwellings will have alternative elevational treatments of facing brickwork, vertical tiling and shiplap boarding.

£8m. office block

THE PRUDENTIAL Assurance Company has awarded a contract valued at £8m. to Sir Robert McAlpine and Sons for the construction of a 31 metres high, 67 metres by 42 metres on-plan office building in Brooke Street, Holborn, London.

Of reinforced concrete frame construction, the fully air conditioned structure will be supported on piled foundations and served by six passenger lifts. Ground preparation work is now starting and completion is programmed for 1978.

The architect is K. C. Wintle, quantity surveyors are Pritchard Williams and Hunt and consulting engineers Bylander Waddell Partnership.

Good start for Truett & Steel

CONTRACTS worth over £550,000 have made a good start for the year for Truett and Steel of Thornton Heath, Croydon.

The company is to build flats at Thornton Heath (£152,500), at Burnt Ash Hill, Lewisham (£106,000) and at Hopton Road, Streatham, London (£182,000) for the Orbit General Housing Association. A £109,000 contract is also to be signed shortly for a residential development at Beulah Road, Thornton Heath, for the Wandle Housing Association.

Construction is also to start soon on a chapel in Tite Street, Chelsea, as part of a contract already in hand for a hall of residence, convent and priest's flat for the Daughters of the Cross, Carshalton. Total cost of this project is £1m.

IN BRIEF

A contract worth £1¾m. has been awarded to Roadworks (1952) for improving the A604 from the Girton outskirts of Cambridge to Bar Hill, 3.2 km. towards Huntingdon.

● Robert McGregor and Sons has received a £325,287 contract from Warrington New Town Development Corporation for roadworks which will include a roundabout and a steel footbridge.

● Two new contracts have been won by John Lelliott with a combined value of £453,000. One is for demolition and rebuilding offices for IPC Properties at Bell Yard, London, W.C.2, and the other is for an extension at Dunlop House, St. James's Street, London, S.W.1.

● Cwmbran Development Corporation has awarded Bovis Construction a £590,000 contract for a shops and offices development in Cwmbran New Town Centre, Gwent.

● Constructors John Brown has been appointed by BP Trading to carry out engineering design and procurement services for the processing facilities to be built at Sullon Voe crude oil terminal for crude oil from the North Sea Ninian and Brent fields.

● John Laing Construction has won a £920,000 contract to build 89 houses at Hatfield, Herts., from Welwyn Hatfield District Council.

● Stent Piling, of Paisley, has been awarded a £1m. piling contract by the Greate Glasgow Passenger Transport Executive for work at six Underground stations in the City of Glasgow.

COMPANY NOTICES

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MONDAY, FEBRUARY 16, 1976

Taxes and subsidies

THE ARGUMENT between supporters of taxes on income and taxes on spending is as old as taxation itself, and we are unlikely to see it resolved. There is no painless way of extracting revenue; and it always seems attractive to shift the burden from wherever it happens to be heaviest at the moment. But without seeking any non-existent philosopher's stone, it would probably be generally agreed that direct personal taxes are too high as a proportion of revenue, and their weight should certainly not be increased any further.

In the last few years there has been a major swing towards direct taxation, a large part of which was probably unintended. A Parliamentary answer on December 18 showed that income and surtax, which accounted for only 37½ per cent. of total Government revenue in the late 1960s, when there was also a Labour Government in power, accounted for 47.1 per cent. in 1974-75.

More important

For many reasons these figures understate the true size of the shift. They exclude National Insurance contributions; and in addition, a considerable part of total revenue was accounted for by Corporation Tax and various taxes on capital. There is, however, another more important reason why the official figures understate the switch. This is because they make no allowance for subsidies. But if VAT is treated as a tax, it is surely reasonable to treat consumer subsidies as negative taxation.

Between 1971 and 1974 the national product rose by 44 per cent. at current market prices. But as Mr. Peter Oppenheimer points out in the February issue of the Vickers da Costa review, *The British Economy*, taxes on expenditure, net of subsidies, rose in the same period by only 6.8 per cent. Direct taxes, including rates, rose by 50 per cent. and National Insurance contributions by nearly 90 per cent. Since 1974 this shift in the balance has almost certainly gone much further.

This has been to a large extent due to the rise in subsidies rather than to any shortfall in the gross revenue from expenditure taxes. Over the short period in question subsidies rose from just over 10 per cent. of taxes on expenditure to more than 25 per cent. The other large factor has, of course, been the automatic effect of a progressive income tax system in raising the personal direct tax burden in an inflationary era.

Encourage TUC

Mr. Healey has given an unusually large number of hints that he is thinking of adjusting the income-tax starting points, to encourage the TUC on wage restraint. But the very tight fiscal position limits severely what he can do without offsetting savings elsewhere. Moreover, quite large nominal reliefs could still leave the personal tax burden higher, as a result of inflation.

To make real inroads into the problem he will have to tackle the subsidies sooner or later. The National Income Blue Book shows that in 1974 they amounted to nearly £3bn., with the lion's share going to subsidies to the nationalised industries, food and housing.

Mr. Oppenheimer has suggested the publication of a supplementary retail price index excluding both indirect taxes and subsidies. This might bring home to people that large budgetary hand-outs do not reduce the forces making for inflation, but merely suppress them. But whether or not this particular device is adopted, we cannot go on indefinitely raising taxes to pay ourselves more and more subsidies: and this week's Public Expenditure White Paper should be judged, as much as anything else, by the realism it shows on this front.

Nigeria's need for stability

LAST FRIDAY'S attempted coup in Nigeria, Black Africa's most populous and potentially its most influential State, has proved abortive. The Government, now headed by Gen. Olu Obasanjo, the second-in-command to the late Gen. Muhammed, remains intact and it seems probable that it will continue with the policies of its predecessor.

Unsuccessful though it was, however, the putsch must inevitably arouse increased concern for Nigeria's stability. The death of the Head of State, General Muhammed, who himself took over from Gen. Gowon seven months ago, shows once again how easy it is for those who come to power through the gun to be overthrown in the same manner. And though it is now clear that the organisers of the coup did not have major support in the 250,000-strong army, the fact that one group of young army officers has failed does not mean that others will not try again at some future date.

Indeed there are suggestions from Lagos that two incipient revolts had been nipped in the bud in the past few weeks, and it is known that, at the time of the coup which brought Gen. Muhammed to power last July, there were several groups plotting against Gen. Gowon within the army.

The motive for the attempted coup is still not known, although the balance of probability must lie with factors internal to the army. General Muhammed's Government had recently announced some top-level promotions which may have embittered those left out. The Government had also announced that it would reduce the size of the army by about a half. Senior officers had also declared their intention to purge the army of what was said to be extensive corruption, protection rackets, and secret societies.

In the attempted coup the resulting political uncertainty can only complicate the already great problems which beset Africa's giant. Gen. Muhammed's Government had already taken a number of sensible decisions, such as the removal of the capital away from highly congested Lagos, while its apparent determination to tackle corruption and inefficiency in Government was broadly welcomed.

But even though the Government had moved with considerable speed in seven months, many of the plans are still only on paper. In an effort to ease some of the country's tribal and regional tensions, the federation has been divided into 19 instead of 12 States. But nothing has been done so far about the re-allocation of constitutional powers, or the all-important oil revenue, between the States and centre, both vital components of the promised return to civilian rule in 1979.

Though Nigeria is fortunate in having oil revenues, the development effort has undoubtedly been set back by the political uncertainties since July. Foreign businessmen, well aware of the country's potential, are already hesitant about new investments there, while many Nigerians — including civil servants, trade unionists and the intelligentsia — remain uneasy. The gap between the wealthy elite and the mass of ordinary Nigerians has not been narrowed and centres of dissatisfaction, inside and outside the army, continue to exist.

First Yoruba

It may be that Gen. Obasanjo, a war-time divisional commander as was Gen. Muhammed, to whom in the past few months he has been an unofficial "prime minister," will prove better equipped than his controversial predecessor to provide the sort of neutral but strong leader Nigeria now needs although it remains to be seen whether the fact that he is a Yoruba — the first in Nigeria to be Head of State — will be a problem.

The country's foreign policy, like that in the domestic arena, seems unlikely to be changed—with the exception of Gen. Muhammed, who was brought into last July's coup only at the last moment, all those who formulated present policy are apparently still in office. In recent months, Nigeria has begun to flex its muscles on the African scene, particularly with its early recognition of and aid for Angola's MPLA. There is no reason to believe that will alter. But a prolonged state of internal instability can only weaken the country's position in Africa at a time when the continent could well do with sustained and wise leadership.

Lockheed's may be the worst case of U.S. corporate malpractice so far uncovered but the company, v top two executives resigned on Friday, is far from alone. A report from **Jurek Martin** in Washing

The cash trail leading back to America's boardrooms

WHEN Mr. Dan Haughton and Mr. Carl Kotchian, Lockheed's two top executives, resigned last Friday they did so, according to Mr. Robert Haack, the new interim chairman, because it was felt that the interests of America's leading defence contractor would best be served if they did not remain on the premises.

On the face of it, the case for their departure seemed overwhelming. Merely in the pursuit of selling a few aircraft, the company which they headed had succeeded in threatening the constitutional monarchy in Holland, prompted a major political row in Japan, threatened another one in West Germany, and sparked scandals of imponderable consequences in half-a-dozen other countries. Even though some of the admitted bribery of foreign officials dated back 15 years, the company had none the less acknowledged spending at least $22m. in assorted under-the-counter payments in the past five years, during which time it was supposed to be on its best behaviour following its rescue from bankruptcy in 1971 thanks to the intervention of the American Government. This seemed a fine way to repay that favour, especially with nearly $200m. in Federally guaranteed loans still outstanding.

Which has done what

But Mr. Haughton and Mr. Kotchian may quite seriously be considered a little unlucky. Lockheed's is certainly the grossest case of proven corporate malpractice so far uncovered, but the company hardly stands alone. It is almost impossible to keep an accurate running scorecard of which company has done what to whom and where, but very roughly it looks like this:

- At least 50 companies have admitted making illegal payments, domestically or overseas, or have confessed to making legal payments overseas, or are under investigation for one reason or another.
- At least $350m. is known to have been spent on illegal, legal or questionable payments inside or outside the U.S. This is assumed to be the tip of the iceberg.
- A partial list of the foreign countries involved includes Holland, Italy, West Germany, France, Japan, Sweden, South Africa, Turkey, Canada, Iran, Saudi Arabia, South Korea, Colombia, Venezuela, Mexico, Honduras, and Panama.

And yet the corporate casualty list is really quite small. Mr. Haughton and Mr. Kotchian now join Mr. Bob Dorsey, the Gulf chairman ousted last month, and Mr. George Spater of American Airlines, forced out two years ago, plus a handful of middle level executives at Bethlehem Steel and also, more tragically, two who took their own lives, Mr. Eli Black of United Brands and Mr. Walter Roberts, a Lockheed vice-president.

Cynically, it would appear that the only victims have been those in companies which have been under real pressure and would have suffered by their continuing to hold executive authority. Others, more secure but by no means less implicated, like Mr. Thomas V. Jones at Northrop, have managed to ride out the storms with relatively few concessions. Nobody here is seriously suggesting that every head of a multinational company is intimately familiar with everything that has been done in the company's name, particularly when much of the foreign bribery is conducted by middlemen who are not even necessarily on the corporate payrolls. However, the men at the top are supposed to carry the can.

But the problem is that nobody in this country—Government, Congress, business itself or even the man in the street—knows what to do about it or, indeed, even accepts that anything can be done about it. The people who are having a real field-day in Washington are the cynics (who suggest that Lockheed's foreign policy has been so much more effectively destructive than the CIA's was in the sixties that the Agency should have been based in Burbank) and the moralists (who are beating their breasts over the apparent power of corporate foreign policy—Lockheed, Gulf, ITT—and wondering if there is any point in having a Department of State).

Washington is not exactly short of remedial suggestions these days: President Gerald Ford has said there ought to be a Cabinet level committee to look into the matter; Mr. Arthur Burns of the Fed, echoing Senator Frank Church of the Multinationals Sub-Committee, has said bribery overseas ought to be a crime in this country; the Securities and Exchange Commission thinks there should be much more public disclosure; the Inland Revenue Service has undertaken to investigate it, as has the Comptroller of the Currency, though he has admitted he has a hard enough time detecting those payments that companies have *admitted* making: some Congressmen feel there should be penal sanctions against companies engaged in the practice (Lockheed, the recipient of Government guaranteed loans is probably the easiest to get at in this respect); some people believe that only the accountancy profession can nip it in the bud.

But all these suggestions amount to very little in real terms. Even those businessmen who in their more eloquent moments espouse the cause of a new code of corporate ethics acknowledge that, if put to the test and faced with a problem of losing a major sale or not, they would pay up and keep quiet about it. This was the basic message of the survey published last week by the Conference Board.

Indeed many businessmen, concerned principally with the bottom line of the balance sheet, would contend that the money spent on foreign bribes was invariably well and economically spent. If, as has been alleged, Mr. Adnan Kashoggi, the Saudi entrepreneur, was paid $68m. by Northrop, the commission is puny when matched against the overall size of the contract—$2.4bn. Grumman, it is again alleged, paid $28m. for an Iranian deal, but it was worth $2.2bn. The $1.1m. that Lockheed is said to have paid Prince Bernhard of the Netherlands is miniscule when compared to the value of well over 100 Starfighters. Lockheed itself has admitted making $202m. in overseas payments in the last five years, of which $22m.-24m. may be considered "bribes" or "kick backs." But even applying this rough 10 per cent. rule of thumb still makes, on available evidence, the "commissions" good value.

Foreign policy

It is hard to substantiate the argument that there has been a conscious corporate effort to conduct an independent foreign policy, even though the activities of the companies involved have had an undeniable impact on American external relations. It is true that most of the companies involved have been in the extractive sector or engaged in Government-sanctioned military deals; it is true that most of the foreigners who have been bribed have been conservative. But then most businessmen, and particularly those in the aerospace sector, are themselves conservative or politically naive. It is quite possible that nobody in Lockheed saw anything untoward in dealing with Mr. Yoshio Kodama, because his right wing beliefs were not themselves exceptional in the military-industrial complex of which Lockheed is a part.

In the eyes of American law, bribing foreign officials is an offence only if the bribes are then deducted against American taxes, having been disguised as miscellaneous expenses. And even then detection is very hard—methods of illegal payments, of "laundering" money, are now extremely sophisticated. Lockheed, for example, admitted that its Japanese payments were disguised by the issue of false receipts by a Hong Kong-based corporation; Braniff Airways admitted financing its illegal domestic political contributions by "selling" unrecorded tickets in Panama; secret Swiss, Lichtenstein, and Caribbean bank accounts are commonly used. As the Comptroller of the Currency has tacitly admitted, the American tax authorities have neither the manpower nor the expertise to track down all these channels.

The Securities and Exchange Commission may have some limited leverage. It is seeking to establish that companies must disclose foreign payments in their proxy statements, but it is being challenged in the courts by, among others, Lockheed and Boeing, assisted by a brief from Dr. Henry Kissinger, who, while deploring such activities, contends that disclosure can only harm American foreign policy. Tenneco, on the other hand, the latest to confess, actually volunteered
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In and out at Lockheed: (left) Mr. Daniel Haughton, who resigned as chairman on Friday, and (right) Mr. Robert Haack, the former New York Stock Exchange president who has taken over the chairmanship on an interim basis.

MEN AND MATTERS

Running Cummings . . .

Is Canada particularly kind to British businessmen? The question is prompted by the coincidental exodus of at least two property developers and one cider man. The property people are Peter Kirwan-Taylor, finance director of English Property Corporation, and James Andrews, until now joint managing director of Capital and Counties Property.

Andrews is going to Toronto to run C and C's 62.4 per cent.-owned Canadian subsidiary, Abbey Glen Property Corporation. English Property, once known as Star (Great Britain), has a slightly higher (66 per cent.) stake in its own large Canadian interest, the Trizec Corporation. But 46-year-old Kirwan-Taylor, very involved in Trizec's hectic early days, is not going out to run that: he is leaving EPC to become president of Maxwell Cummings and Sons, a business owned by one of Canada's richest families.

Maxwell Cummings himself is now 78. He founded an industrial and property partnership in Montreal in the 1920s, and the business has been continued by sons Robert and Jack. The property side went public in 1969 under the name Cummings Properties, and was bought out the following year by Trizec for about $44m.

Unofficial estimates lately have put the personal fortunes of the three Cummings at somewhere above $20m.: the consideration for the family stake in Cummings Properties was $17m. Kirwan-Taylor's brief will be to "find, negotiate, administer and ultimately sell" $5m. to $10m. stakes in industrial concerns, particularly those involved in natural resources. Kirwan-Taylor's capitalism is of the sturdy kind and a major incentive for him is the promise of personal shareholdings on each deal.

His working life started with accountants Peat Marwick Mitchell, after that spending ten years with merchant bankers Hill Samuel, much of the time on the complex mess that was Trizec's beginnings.

Other directorships include London United Investments, which he and associates took over in 1970, and Group Lotus Car Companies. His stepfather was chairman of the old Lagonda company, which gave Kirwan-Taylor a fascination for car design, and he and Colin Chapman of Lotus collaborated on two Lotus models in the fifties. As for the Cummings connection, he sees Canada as still a country where such family wealth can be developed; he declares that even those British families who have lots of cash to invest tend to be "very, very unadventurous" with it.

"Denis wants Eric to accept his pay cut to get the Phase Two negotiations off the ground!"

. . . and Andres

The departing cider executive is Peter Green of H. P. Bulmer, who from April 1 becomes chief executive of another Canadian family business, Andres Wines, claimed as the country's largest wine manufacturer. Green is reckoned one of the top trio at Bulmer which after two years of static performance pushed up profits 45 per cent. in the first half of the current year.

Just over a year ago, Peter Prior decided to concentrate on being executive chairman: cider division chief Brian Nelson moved up to become group managing director, and Green (like Prior an ex-Urwick Orr man) took over from Nelson, having made his reputation with Bulmer for sorting out and saving costs on the distribution side.

Green is already out in Canada developing the cider market for Bulmer, which as it searches for Green's successor describes itself pleasantly as having a "distinctive (and not too earnest) management style."

Quake studies

Guatemala's recent earthquake was horrific in its human toll—latest figures put the number of deaths at 19,000—and presumably the long-term economic damage to the country will be severe too. But what if such a natural disaster should strike one of the world's business centres?

Most people, obviously, would rather not dwell on this sort of morbid question, but there are those doom-watchers who do tackle the calculations. Such a nightmare scenario has been done for Tokyo, and the results of the survey have been published here by the Reinsurance Offices Association.

It is based on the massive earthquake of 1923 round Tokyo, which killed more than 100,000 people and in those days caused losses running into millions of pounds. Predicting the consequences of an earthquake of similar strength in 1976, and taking into account Japan's high rate of industrial growth since the last war, the Fujita Industrial Technology Centre has worked out that the country would have to meet losses totalling the equivalent of nearly £90bn.

The ultra-gloomy conclusion is that such a disaster would destroy normal economic activity, create a recession that would turn Japan back into one of the world's poorest countries—and produce internal inflation of 200 per cent.

Maud's already out there

Women, in this year of their liberation, are gradually assuming the role of gardeners to the nation. According to a recent survey they are responsible for most of the work in more than half of the country's gardens and of that half it is thought that over 30 per cent. are the sole responsibility of a woman.

These facts emerge from the preliminary research done by Orbis Publishing which is launching this week a 104-week part work on gardening called (you guessed) "Green Fingers." Orbis reckons also that the British are the world's champion gardeners. Eighty per cent. of all private households have a garden and nearly two-thirds of the adult population claim gardening as one of their hobbies. It is also revealed that 8 per cent. of gardeners have a gnome, plastic or otherwise, on their plot.

Observer

Laker Airways apart, British airlines have greeted last week's Civil Aviation Review with relief. **Michael Donne** explains why

Clear skies after an aviation storm

HAT Mr. Peter Shore, retary for Trade, has d details of his Civil Policy Review, most in the British airline are hoping that this the last time for many at it will be tossed into ting pot for political

utcome of the review, last summer, is a alignment of the route s of the State-owned Airways and the inde- British Caledonian Air- end the "dual desig- —that is, competition— British flag carriers on l scheduled routes, and hem separate "spheres est" in different parts globe where they can heir operations without interference from each

rmined

ly the only person who share this view is Mr. Laker, chairman of irways, who remains ed that Mr. Shore's to withdraw U.K. ent approval for the no frills Atlantic Sky- ll not go unchallenged 's decision will almost be the subject of bitter ntary opposition when posals come to be soon, and many MPs n to feel that Skytrain least to be given a prove whether or not acceptable, let alone ethod of future trans- ravel.

e rest, the primary now to be left alone with the job of run- civil air transport in s made difficult enough n and economic reces- out political decisions osed from above. Only seven years after the Edwards Report of 1969 turned the U.K. airline business upside down—creating British Airways by the merger of BEA and BOAC, setting up the Civil Aviation Authority, and creating the "second force" flag airline, British Caledonian Airways—the industry has now experienced another shake-out. It has had a worrying year of uncertainty, hampering forward planning, while the details of Mr. Shore's desire to end competition between British airlines on long-haul scheduled routes and to create the wider "spheres of interest" policy were hammered out. It is the end of this uncertainty that lies behind the welcome—albeit a reluctant one—given to the results of the policy review by the two major airlines involved.

British Airways has taken the view that, of the alternatives considered, the route exchanges envisaged by Mr. Shore are something it can live with. British Caledonian has said that it is relieved to see the end of commercial uncertainty, and feels it can now plan ahead in a positive manner.

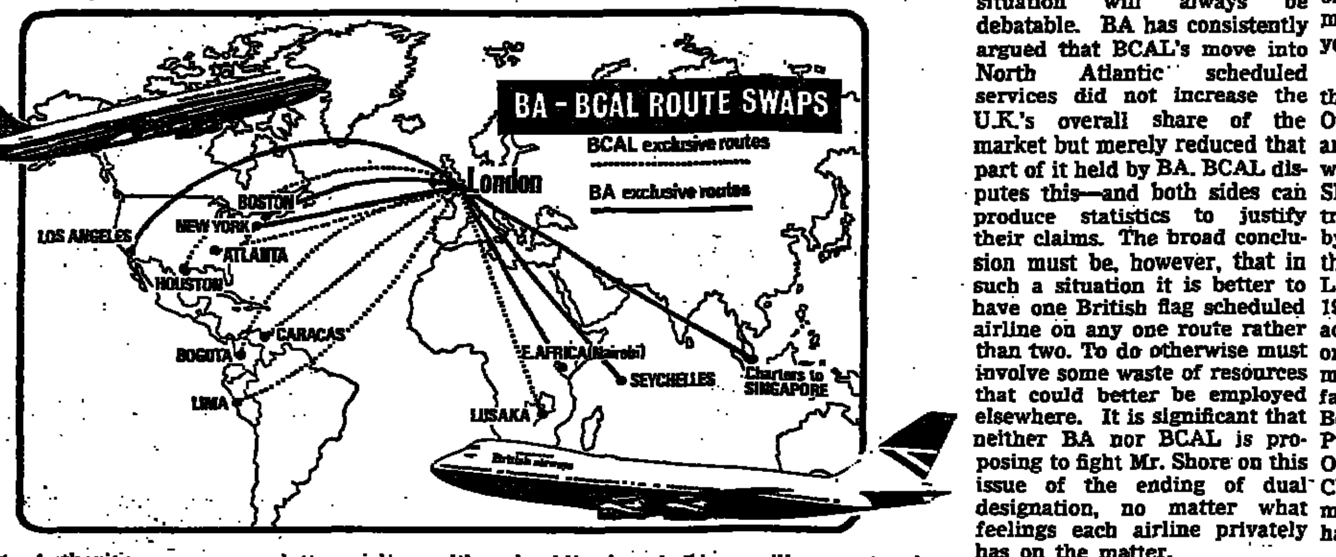
Stability

Neither airline, however, is really happy with the results. Indeed, neither really felt that this kind of review was necessary in the first place. But both have gone along with Mr. Shore, feeling that by doing so they might achieve some chance of longer-term stability. While Mr. Shore's decisions remain subject to Parliamentary approval, nobody, apart perhaps from Mr. Laker, really wants to see his proposals overturned for fear of tossing the whole situation back into the melting pot, resulting in another long period of stalemate and discussions hampering forward planning and investment at a time when the indications are that air transport is likely to move out of the doldrums into a new era of expansion.

The first tenuous signs of this improvement are already emerging, with U.S. airlines reporting significant traffic gains in the early weeks of 1976. For last year as a whole, the British Airports Authority says passenger traffic at its seven airports, including Heathrow, reached a record at 5.9 per cent. above 1974. There is a quickening awareness in the airlines of the need to consider re-equipment for the 1980s, and among manufacturers a growing desire to meet this demand. Nonetheless, nobody in either the airline or the manufacturing business is prepared to be strongly optimistic. Everyone admits that 1976 is likely to be another tough year, with inflation still the biggest headache, and the industrial recession still tending to deter much would-be traffic.

So, while BA and BCAL are glad that decisions have at last been made, each has reservations. BA would have preferred to keep the routes it must now give up to BCAL—those to Caracas, Lima and Bogota in South America, for example, and to Lusaka and other points in Central Africa. BA would also have preferred not to see BCAL given anything at all on the North Atlantic route (the latter airline, although obliged to give up its rights to New York, Los Angeles, Boston and Toronto, retains Atlanta and Houston).

BCAL, in return, would have liked to retain its interests in exempt charters to Bahrain/Singapore, and rights on other parts of its North Atlantic network besides Atlanta and Houston. But BCAL, with virtually the whole of South America (only Georgetown in Guyana is retained by BA) and West and Central Africa as its main "spheres of interest," feels that it can now at least plan on a detailed, long-term basis, which it could not do earlier.



On balance, it is likely that the route swaps now proposed will cancel out each other in their effects on each airline's revenue. Some routes are stronger than others. BCAL says that Atlanta and Houston should yield some £10m. of revenue a year, for example, by 1979-80, while BA reckons that the loss of Caracas, Bogota and Lima will cost it about £3.8m. a year.

In all, the changes, if approved by Parliament, will mean each airline giving up, and gaining in return, route revenues roughly amounting to £7m. a year. Nor will any major unemployment problems arise. Each airline, so far as possible, will take over from the other the relevant local station staff involved, assuming they are agreeable to the transfer. So redundancies are expected to be minimal.

What really matters in the route swap now proposed is that each airline will have a major area of the globe within which, so far as scheduled services are concerned, it will be able to plan ahead knowing that it has full security of tenure of its licences. No other British airline will be allowed in to disrupt the market—the exception being if BA should ever want to run a Concorde service through BCAL's "territory."

The merits of this whole situation will always be debatable. BA has consistently argued that BCAL's move into North Atlantic scheduled services did not increase the U.K.'s overall share of the market but merely reduced that part of it held by BA. BCAL disputes this—and both sides can produce statistics to justify their claims. The broad conclusion must be, however, that in such a situation it is better to have one British flag scheduled airline on any one route rather than two. To do otherwise must involve some waste of resources that could better be employed elsewhere. It is significant that neither BA nor BCAL is proposing to fight Mr. Shore on this issue of the ending of dual designation, no matter what feelings each airline privately has on the matter.

Transfer

So far as the start of services on each of the routes involved in the swap is concerned the situation is more complicated. On the African and Seychelles routes, April 1 has been fixed for the exchange. On the South American routes, there will have to be discussions with the relevant governments to ensure a smooth transfer of the route licences from BA to BCAL. The aim will be to ensure no disruption of services, with BCAL moving in the moment BA moves out. So far as Atlanta/Houston is concerned, the U.K. Government must negotiate route approvals from the U.S. Government. This is not expected to be difficult — no U.K. airline flies on those routes as yet, but it is likely that the U.S. will request the reciprocal designation of a U.S. carrier under the terms of the existing bilateral air agreement. It is not expected, therefore, that BCAL will start flights on the Atlanta/Houston run much before the end of this year or even in 1977.

This leaves the Skytrain as the major outstanding issue. Outside Laker Airways, there are few in the airline business who really disagree with Mr. Shore's contention that Skytrain's validity has been eroded by time. Had Skytrain got off the ground quickly when Mr. Laker first propounded it in 1970-71, it might well have achieved a major breakthrough on the North Atlantic, and many of the subsequent cheap fare innovations — Advanced Booking Charters, Advanced Purchase Excursion Fares, and One-Stop Inclusive Tour Charters — might never have materialised. People would have used Skytrain instead.

Now, many in the airline business claim, the cheap-fare, no-frills market at which Skytrain was originally aimed has been to some extent met by those other low fare developments. Mr. Laker, of course, does not agree. He claims strongly that, even with all the existing cheap rates, he can still offer something different—a one-way, "get up and go when you feel like it" fare with no advance booking or other conditions required, like catching the bus outside your door, when everyone else is offering return tickets only and demanding advanced booking. In his favour is the fact that the scheduled member-airlines of the International Air Transport Association are still arguing among themselves on a new very cheap scheduled fare for this coming summer to combat the threat of increasing low-fare charter competition, and some are advocating a new, no-frills "third-class" fare on scheduled flights—in effect, a Skytrain-type operation.

The only way of settling this argument would probably be for the U.K. and U.S. governments to permit Skytrain on an experimental basis, with perhaps one U.S. carrier allowed to follow suit. Were such an experiment to fail, Mr. Laker would be the only person to suffer financially. But there is also the undisputed fact that it takes two ends to make a route, and that, whatever the U.K. Government may do, Mr. Laker has hitherto failed to convince the Americans of the validity of his arguments for Skytrain. Without U.S. approval, no amount of U.K. designation or licensing can get the service airborne.

Desperate

The Skytrain argument will undoubtedly rumble on for months. In the meantime, the rest of the U.K. airline industry will be more concerned with getting on with the planning that has been in abeyance since Mr. Shore first enunciated last summer his policy of no more dual designation and the introduction of spheres of interest. The desire for a period of calm in which to conduct serious planning for the future is almost a desperate one in the air transport business, and everyone apart from Mr. Laker hopes that at last he is going to get it.

Letters to the Editor

...at incentive ...o risk

Maurice Macmillan.

...his letter to you of ...13, Lord Brown ...many aspects of the ...rogramme "Man Alive ...bout capital transfer

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Maurice Macmillan.
House of Commons, S.W.1.

Industry-based unions

From Mr. P. Liddiard

Sir,—The storm of professional engineers' union representation exposes once again the weakness of present union structure for its modern and future roles in the U.K.

When unions are industry-based, as they must be eventually, an engineer in the chemical industry will be a member of the appropriate union *for the whole of that section of industry*, and would automatically change his or her union membership (without loss of rights) if moving to a new job in, say, the power generation or metal-working industries. The traditional basis for unions relating to a person's craft is now outmoded. It creates inter-union rivalry with the multiplicity of bodies both inside and outside the TUC. An employer or the respective body representing employers for a particular major section of industry need not be faced in negotiation with numerous unions, and both sides could obviously benefit from this.

Is it too much to hope that the present professional engineers' problem could be used as a start towards industry-based unions to speed this process just a little? Cannot the TUC give its member unions a stronger policy lead on this? If it cannot, there will be a long and chaotic haul until we get industry-based unions; but come they must, as they have done in practically all other industrial countries.

P. D. Liddiard.
"West Wind," Stratford Road, Longbridge, Warwick.

Professional engineers

From the General Secretary, U.K. Association of Professional Engineers.

Sir,—I am once more indebted to Ken Gill, for his letter (February 11) which, if it is given the study it deserves by professional engineers, should go a long way towards convincing them that their future well-being in industry depends on a much increased membership of UKAPE. The letter is studded with time worn phraseology so beloved by the "real" trade unions—"employees . . . combining against their employer," "the struggle for better conditions" and so on.

Professional engineers need and want to be represented but they simply do not believe that the style adopted by TASS section of the Amalgamated Union of Engineering Workers is the right way to go about it. This emphatically does not mean UKAPE is the creature of the employers. Far from it. As Mr. Gill well knows, it is the arrogant and aggressive attitude adopted by his union, backed up by threats and the imposition of industrial action, which has forced employers to forget the loyalty which they owe to their professional employees and to refuse to them their legitimate wish to be represented by their own professional association.

The reaction of UKAPE members to the appeasement shown by their employers to such threatening behaviour was first that of astonishment later turning to disgust. It is UKAPE's wish to establish a reasoned relationship with employers in which job evaluation, monitored by joint panels, is the preferred method of tackling salary levels in a logical and civilised way. That the leaders of the profession on the board of the Council of Engineering Institutions should have come to the conclusion that UKAPE is the right union for chartered engineers in industry is greatly encouraging and hopefully the employers will now follow that lead.

John Sampson,
Wix Hill House, West Horsley, Surrey.

The cost of studying

From Miss M. Reinold.

Sir,—I read with interest the article by Joe Rogaly (February 10) on the cost of welfare handouts to students. He states that "some students really are in need." May I tell him that "some students" means an ever increasing number.

It is almost a year since I graduated. I started work two weeks after finals and had to borrow the train fare. As a polytechnic student I had a 14-week term and my grant was £90 per term—£90 for 14 weeks making £6.43 per week with £5.65 rent per week and £0.78p left for all my food, books, etc.

I worked at an evening job to maintain myself at college, and I did not mind this at all—I learnt the value of money and really would not have liked it handed to me on a plate. I received no help from home, not because my parents were mean, but because their money was accounted for. There were dozens like me, many of whom had been disowned because their parents did not approve of their studying. Those who had wealthy parents were in very hard times, for parental contribution made up the major part of their grant. I worked during every vacation, and I enjoyed it. The only time I was annoyed about the small size of my grant was in the holidays and in particular during the vacation in which I had to prepare a dissertation. It cost me £40 to produce and I lost six weeks' wages, and yet I was supposed to manage all through that time on my £90 which did not even see me through one term.

Student days were some of my happiest so far, but I would much have preferred to have been given some kind of loan to repay afterwards. Such a system would reduce the numbers who drift into college who may have the brains to get a degree, but who are only there because they cannot think of anything else to do. Perhaps if ratepayers knew that for every one student trouble-maker reported in the Press, there are hundreds working hard who really do appreciate the opportunity they have been given, then faith in the student world might rise a little to the benefit of our society.

Margaret Reinold.
Helen Graham House, 57, Great Russell Street, W.C.1.

Welfare of students

From the President, National Union of Students.

Sir,—I found Joe Rogaly's article "The cost of welfare handouts to students" (Feb. 10) alarming. The statement "students should not live on social security" and the implication that students do not actively seek employment but instead prefer to idle away vacations on "handouts" are wrong. If adequate vacation support were available, students would not need to claim social security—instead 126,000 have to sign on.

Student figures in no way "mess up" the unemployment figures. The statistics are presented separately — and no change in counting could disguise the current appalling facts of unemployment. To single out the relatively few students who sign on as unemployed each vacation—now 18 per cent. of the total number of full-time students—as being in some way responsible for the ever-rising number of unemployed is ludicrous. Whatever drastic steps must be taken now to alleviate unemployment, they should not involve preventing one section of the population from exercising its right to claim benefit.

The full grant is designed to cover thirty weeks with a notional element towards vacation support. At present this stands at £3.18 per week. Additional forms of vacation support are therefore of crucial importance. The traditional way of supplementing the grant—by taking vacation work—is often no longer possible especially in the short vacations. To imply that students are reluctant to find paid work misrepresents the facts. For financial reasons any student would rather earn a wage than live on the £6.52 per week social security.

The waste of public money in deploying more officials to make sure students are actively seeking work is preposterous. Officials already have powers to withhold benefit from anyone they consider "voluntarily unemployed." Their job would be made impossible if they had to spend their time "getting students off the books" when 40,000 school leavers are looking for permanent employment.

The cost of welfare benefits paid to students is small if set against the total paid out each year. The minority of students who claim are those who need the money most. They are those whose parents are not wealthy enough to support them and those who live in areas of high unemployment. These students fulfil the requirement laid down by the Supplementary Benefits Commission. They are assessed as being in need in the same way as any other member of the public. To suggest that this safety net should be ripped away from students in times of hardship and need is to discriminate unfairly against one section of the population.

Charles Clarke.
3, Endsleigh St., W.C.1.

Cheap finance for exporters

From Mr. L. Smith.

Sir,—I cannot let the letter from Mr. Tennant (February 10) go unanswered. Far from being unwieldy, I have found ECGD for many years most concerned in an individual way with a trader's problems. Like the clearing banks, they have proved willing at any time to seek ways of helping the exporter.

There has never been any secret of the preferential rates applying to export business financed by the clearing banks and supported by ECGD. These are currently ½ per cent. above base rate for goods sold on credit up to two years, a minimum of 7 per cent. on goods sold on terms of two to five years, and a minimum of 7½ per cent. for over five year terms. These rates, which are available to firms of all sizes, have appeared in ECGD advertisements and are clearly set out in publicity literature which is free on request.

L. Smith.
8, Barton Avenue, Dunstable, Bedfordshire.

Today's Events

GENERAL

EEC Finance Ministers meet, Brussels.

EEC Agricultural Ministers begin three-day meeting, Brussels.

Miners' national overtime ban begins.

Government's selective price restraint scheme begins in shops.

House of Commons Expenditure Committee publishes Treasury reply to Committee's report on financing public expenditure.

Mr. Joop den Uyl, Dutch Prime Minister, arrives in London for talks with Mr. Harold Wilson.

Mr. John Boutos, Greek alternate Minister of Co-ordination and Planning, arrives for talks with Mr. Peter Shore, Trade Secretary.

Mrs. Shirley Williams, Prices Secretary, opens conference of International Federation of Business and Professional Women, Bloomsbury Centre Hotel, W.C.1.

Mr. Hector Smith, general secretary, National Union of Blastfurnacemen, "lights up" Britain's largest blast furnace at BSC's Llanwern works.

Sir Lindsay Ring, Lord Mayor of London, attends British Safety Council presentation of diplomas, Goldsmiths' Hall, E.C.2.

PARLIAMENTARY BUSINESS

House of Commons: Second reading of Drivers' Ages and Hours of Work Bill and of Fair Employment (Northern Ireland) Bill.

House of Lords: Second reading of Rsetrictive Trade Practices Bill, Restrictive Practices Court Bill—consolidation measures—and of Prevention of Terrorism (Temporary Provisions) Bill. Motion on London Councillors Order.

OFFICIAL STATISTICS

Retail trade (January—provisional).

Turnover of motoring trades (fourth quarter).

Turnover of catering trades (December).

COMPANY RESULT

British Enkalon (full year).

MUSIC

Instrumentalists from Musica Reservata, with Jantina Noorman (mezzo-soprano), Margaret Philpot (contralto), John Dudley (tenor) and Paul Elliott (tenor) in programme of 14th century French and Italian Court music, Queen Elizabeth Hall, S.E.1, 7.45 p.m.

King-Lam Woo gives piano recital of works by Mozart and Schumann, St. Lawrence Jewry next Guildhall, E.C.2, 1p.m.

COMPANY NEWS + COMMENT

Booker forecasts 'comparable' profits

Booker McConnell yesterday forecast that 1975 profits "would be comparable" to those for the year 1974, in spite of a £2m. decline to £400,000 in the profits of the company's Guyanan trading interests.

A joint announcement from Booker and the Guyanan Government indicated that talks which are expected to result in the nationalisation of the company's operations in that country are to start shortly.

The 1974 financial year was outstandingly profitable for the company, which earned net profit of £5.6m. attributable to shareholders. Of this, £2.4m. came from Guyanan operations.

The directors said yesterday that 1975 sugar profits had fallen as a result of the Government levy.

The Guyanan levy on sugar in 1974 totalled £21m., approximately 44 per cent. of Booker's sugar turnover. In 1975 the levy has been fixed at 57 per cent. (£33m.) of the sugar revenue of £57½m.

As a result of the levy, and heavy losses of production through strikes, the sugar subsidiary, Booker Sugar Estates (which is 97 per cent. owned) is expected to have lost £750,000 in 1975.

● comment

The fact that 43 per cent. of Booker McConnell's attributable profits, in the boom year of 1974, came from Guyana is less relevant now than the estimated £¾m. loss on its sugar estates last year and, in view of the Government's attitude to the export levy, the prospect of a serious loss in 1976. Despite the £2m. downturn in Guyana (stemming wholly from the sugar estates), the group hopes to end up all square at the attributable level for 1975, thanks to a continuation of the recovery shown by the U.K. engineering interests (up by nearly £1m. at the interim stage) and loss elimination in health and food manufacturing. Since 1969, when the U.K. accounted for less than a tenth of earnings, the group's acquisition path has not always been paved with success—the £629,000 pre-tax loss from Chemimart in 1974, two years after its acquisition is an example. The Guyanan investment—earning a tiny return, of course, at present—accounts for 42 per cent. of group net worth: the amount and timing of compensation is uncertain at present as are the reinvestment plans. The shares, having slipped by a tenth this year, to 132p, are selling on 7.3 times 1975 earnings and yield 5.8 per cent.

See also Page 1

HIGHLIGHTS

This week's company news list is dominated by ICI. On Tuesday, **Imperial Metal Industries** produces its full year figures and on Wednesday, another notable ICI subsidiary, **Carrington Viyella**, also reports on its full year. Wednesday also sees preliminary figures from **P & O** and **Albright & Wilson**, together with General Accident's important full year underwriting results from the U.S. On Thursday, ICI itself reports on its third quarter profits.

The results for 1974-75, were achieved despite severe power cuts which reduced the available working days by 10 per cent.

During the year significant progress was made in exports and orders are currently being fulfilled from Africa, the Caribbean and Sri Lanka. The biggest order came from Zaire for buses and spares worth £5½m.

Prospects depend partly on a recovery in world trade and very largely on the success of Government policies to hold down costs, he adds.

During 1975 the rise in the proportion of funds in the U.S. was reversed, since the proportion in the U.K. increased from 43 per cent. to 54.3 per cent. and that in the U.S. dropped from 44.8 per cent. to 31.9 per cent. This reflects no change in policy but only the variation in market values.

As known, revenue before tax in 1975 improved from £695,507 to £761,442, with earnings per 25p share at 5.29p (4.97p). Dividends in 1974 totalled 3.953p net.

Lodon and Manchester Assurance held 12.84 per cent. of the Ordinary capital at January 22, 1976. Meeting, 11, Wallbrook, E.C., March 10, 2.30 p.m.

Confident forecast by Richards

A forecast of further improved profits in 1975-76 for **Richards**—the Aberdeen textiles group—was made by the retiring chairman, Mr. R. B. Williamson, at the AGM.

Mr. Williamson recalled that in his annual report, he implied that first quarter results would be good. "In fact, they were excellent, breaking all records," he told members, and he is confident that, notwithstanding the costly reorganisation programme which will have an impact on the second half of the year, the final results for 1975-76 will still be ahead of those for 1974-75.

The chairman informed shareholders that the recently disclosed substantial interest in the name of Clydesdale Bank (London) Nominees, 1,250,000 Ordinary shares representing 10.42 per cent. of the equity was held by the Scottish Northern Investment Trust, substantial holders for many years.

there was a deficit of £851,116 after writing stocks down by £712,297 and after £153,049 losses on forward contracts.

Stock levels have been reduced substantially since last April and it is envisaged that no further write down will be necessary at the end of the current year, the directors state.

They stress that the recent Budget is largely negative, with increased costs, notably in distribution, coupled with a significant reduction in real terms in the capital programme for the building and construction industry.

As before there is no Ordinary interim dividend. The last payment was 3.75p for a 6.25p total for 1973-74. The half-year loss per 25p share is shown at 3.04p (1.6p earnings).

	Half-year 1975 £000	*1974 £000
Turnover	6,111	7,111
Trading profit	158	413
Interest	307	245
Loss	149	†170
Taxation	—	86
Preference dividend	3.5	3.5

* Excluding results of associate, Consolidated Holdings. † Profit.

FT Share Information Service

The following securities have been added to the Share Information Service:—

Fairdale Textiles "A" N/V. (Section: Drapery and Stores.)

Tollemache and Cobbold (Section: Beers, Wines and Spirts.)

Leyland India ahead to record £5m.

On sales ahead from £34.2m. to £43.7m., profits, before tax, of **Ashok Leyland**, the Indian offshoot of Leyland International, increased by £0.7m. to a record £5m. in the year ended September 30, 1975. Net taxed profits rose from £1.3m. to £1.9m.

Sales volume went up from 7,295 to a peak of 7,765 units. The company has commenced a major expansion programme to increase its capacity to between 10,000 and 12,000 vehicles per annum by 1978.

Midway loss by Heiton

Reflecting the depressed construction industry, particularly in the private sector, turnover of Dublin-based **Heiton Holdings** decreased by £1m. to £6.11m. in the half year to October 31, 1975, and a loss of £149,000 was incurred, compared with a pre-tax profit of £170,000.

For the year to April 30, 1975

Tribune Trust advance

BETTER pre-tax revenue of £628,228, compared with £533,278, is announced by **Tribune Investment Trust** for the year 1975, after an advance from £302,817 to £326,393 in the first half.

Year-end results are struck after expenses and miscellaneous items of £68,322, compared with £38,449, and interest charges down from £206,918 to £61,769.

Earnings per 50p share are shown to be up from 12.2p to 13.05p and a final dividend of 6.8p net makes a total of 9.6p, against 8.5p.

Gross revenue for the year was £758,319 (£778,645), and tax absorbed £293,748 (£220,589). Net asset value per share was 795p (440p).

U.S. & General sees same net total

The directors of **United States and General Trust** feel that the 4.29p net dividend total recommended for 1975 can be maintained for the current year; a number of important companies in which the Trust has investments have already given indications of their 1976 dividend policy, states the chairman, Mr. M. F. Berry.

Leyland Paint to improve

ASSUMING there is no further deterioration in the economy, Mr. Bryan Jones, chairman of **Leyland Paint and Wallpaper**, believes there are encouraging signs of improvement in the wallcovering market. He reports that retail trading remains buoyant.

The company, he says, will benefit from the rationalisation of paint production, besides further improvement from Leyland Vinyls.

The new collections launched in the summer by Paragon Wallpapers were well received both in the home and export markets. And since early September the volume of business has improved, particularly on the vinyl side.

As reported on January 28 with details of the funding operation, group pre-tax profit for the year to September 27, 1975 decreased from £0.96m. to £0.42m., and there is no dividend, against 3.10625p net.

Reflecting overstocking in international wallcovering markets, the turnover of the export division decreased by 24 per cent. to £2.02m. However, overseas trading now shows a "definite improvement," says Mr. Jones.

A geographical analysis of turnover (£18.71m., against £14.57m.) shows, in percentages, U.K. 89 (80); Europe 6 (12); Middle East 1 (1); Far East and Australasia 2 (3); Africa 1 (2); America 1 (2).

Meeting Leyland, March 18, at 2.30 p.m.

General Funds Trust

Net taxed revenue of **The General Funds Investment Trust** increased from £187,179 to £200,088 in the year to January 15, 1976.

A second interim dividend of 2.5p makes a same again 3.55p net total per 25p share.

Net asset value per share was 173.23p (88.15p). Total assets, including 100 per cent. of investment currency premium, amounted to £14.6m. (£6.36m.). Investment currency premium included £1.67m. (£1m.) subject to surrender.

BIDS AND DEALS

S.W. Insurance acquisition from Armour Trust

Slater Walker Insurance has purchased Domestic and General Insurance Company from Armour Trust for £250,000, the first acquisition made by a member of SW Group since the crisis occurred last October. Consideration is being satisfied by the cancellation of £947,500 nominal 10¼ per cent. Convertible Unsecured Loan stock, 1991/96, of Armour held by SWI.

Principal business of Domestic is the insuring of television sets—spare parts, tubes and manufacturers' warranty. Its net tangible assets are estimated at £230,000 and pre-tax profits for the year ending April 30, 1975, were £90,000. Gross interest on the cancelled stock amounts to £99,000.

SWI intends to maintain the existing business and will operate it in conjunction with its own general insurance operations, although it does not at present transact television insurance.

The saving on interest in the cancelled stock will ease the cash flow problems of Armour. Consolidated net tangible assets will be increased by £737,000—equivalent to 6.3p per share and bring the asset value per share to 20.1p. Although Domestic was making profits, these could not be remitted to the parent because of solvency requirements.

ment of the electrical contracting interests will remain.

Consortium to buy 53.6% of Lowe and Brydone

A consortium of directors of **Lowe and Brydone**, the printing group, and the **Malcolm Sanderson Discretionary Trust** have concluded negotiations for the acquisition of the 53.6 per cent. interest in the company previously held by **Ambion Holdings**. The consortium is paying a cash consideration of 37.5p a share for the stake and the acquisition is due to be completed on March 3, 1976. The Takeover Panel has agreed to waive the requirement to bid for the balance of the shares in issue.

Only two weeks ago a Receiver was appointed to Ambion, the private housebuilding company of Mr. Frank Sanderson, a former chairman of Bovis. Mr. Sanderson is executive chairman of Lowe and Brydone.

Lowe and Brydone said there will be no change in the company's policy to continue to develop its printing interests alongside the growing housing development company, Lowe and Brydone Homes. No changes are planned in the composition of the Board.

The company is now trading profitably and has the resources in terms of management and finance to continue its recovery at an accelerating pace.

Assoc. Dairies £0.25m. land acquisitions

Associated Dairies has acquired the capital of **Gazeley Properties**, a private company whose sole asset is ownership of a 125 year lease on about 7 acres of land in Scunthorpe with planning permission for a superstore which AD proposes to develop.

Ground rent is £12,500 per annum with 10-yearly reviews linked to the retail price index.

Consideration is £75,000—£8,954 cash and 29,355 AD Ordinary shares. The vendors have no immediate intention of selling the shares.

AD has also acquired the capital of **Anzo Holdings** and the minority holdings in **Rabee** and in **Strongmill**, subsidiaries of Anzo.

Anzo, Rabee and Strongmill are private companies whose principal asset is the freehold reversion of land in Preston which includes the stores leased by AD.

Consideration is £175,000—£96,582 cash and 34,856 AD Ordinary shares.

BICC buys Visibiliti

BICC is acquiring **Visibiliti** of Blackburn for 204,918 Ordinary shares, valued at £250,000. Visibiliti's main product is a road hazard warning lamp which meets the latest BSI specification and has an international market.

Visibiliti will operate under Industrial Reels, of Wigan, a member of the BICC Group. It is intended to centre production at Wigan but the phase-out of the Blackburn operations will be gradual.

A. LEE STAKE IN GLOVER

Arthur Lee and Sons is purchasing 11,000 Ordinary in the **Glover Group**, a private company which is supplied with certain raw materials by Lee. The vendors are largely members of the Lee family.

This will increase Lee's holding to 10.2 per cent. of Glover's capital. Consideration is £16,000 cash and 154,000 Lee Ordinary shares which values the shares acquired at approximately £40,000.

In event of Lee acquiring a further substantial holding in Glover within six months of completion, on terms which at the time are better than those paid to the present vendors, Lee has agreed to offer the higher price to the present vendors, subject to approval of Lee's holders. The Glover shares will be held as a trade investment.

MARSHALLS PURCHASE

Marshalls (Halifax) has acquired the capital of **Kastone**, a private company based at Sawley, Notts. The consideration of around £250,000 has been satisfied by the issue of 323,082 new Ordinary shares of Marshalls of which 67,567 have been retained by vendors and the balance placed by E. B. Savory Milln and Co.

Profit before director's remuneration and tax of Kastone for 1975 was £64,607 and net tangible assets at that date were £140,082.

GKN EXPANDS

Godwin Warren Engineering, of Bristol, specialists in security-based traffic control and railway equipment, has joined the **Firth Cleveland** sub-group of GKN.

TRAFALGAR HOUSE ACQUISITION

Trafalgar House Investments has acquired the assets and goodwill of **Rashleigh Phipps** from the Receiver. The existing manage-

Totalisators-Ladbroke

The Board of **Totalisators and Greyhound Holdings** said the offer for the company from **Ladbroke Group** of 15p a share was "not unreasonable" in view of the inability of the company to make a profits forecast at this point, and of the sale of 46.48 per cent. of its equity to Ladbroke by Estates House Investment Trust.

This transaction was completed on Friday and, following discussions during the day between the Boards, Ladbroke said it would make an offer for the Preference stock of Totalisators on terms which would reflect a premium over the current market price.

The statement from the Totalisators Board said that while it felt the offer for the Ordinary shares did not reflect the full potential of the company, it could not forecast profits because of the recent decline in attendances and high costs which could affect greyhound operations.

EMU WINE BID APPROACHES

Following last month's announcement of approaches from parties other than the Western Australian Worsted and Woollen Mills, which might lead to a higher offer than the 142p bid by WA, the directors of **Emu Wine Holdings** now say discussions are now at an advanced stage.

They hope they will lead to such a higher offer and strongly advise holders to take no action with regard to the offer by WA. Further advice will be posted to stockholders early this week.

AURORA STAKE IN E. SUSSEX ENGINEERING

Aurora Holdings has acquired 3,278,616 Ordinary shares in **East Sussex Engineering Group** (about 27.94 per cent.) for £772,907 cash. It is not the present intention of the Aurora Board to make an offer for the balance of East Sussex Ordinary shares.

GRAND MET. DEAL COMPLETED

Grand Metropolitan has issued 2,433,958 Ordinary shares as the final part of the consideration for the acquisition by Mecca in 1970 of the outstanding minority in a subsidiary.

This part of the consideration has been calculated by reference to the profit of the subsidiary for the five years to September 30, 1975. The shares do not rank for the 1974-75 final dividend.

Expansion aims [illegible] Watson & Phili[illegible]

ALTHOUGH THE present year will not be an easy one for Watson and Philip the chairman, Mr. H. D. Philip, says he is determined that this will not stand in the way of a continued advance in profit.

He stresses, however, that this is subject to no new factors being introduced by the Government "to stultify our plans."

During the year it is intended to pursue a "most active policy" on take-overs and/or new openings as the opportunities arise.

The November rights issue put the company in a strong liquid position to deal with budgeted trading for the current year, and will assist in financing take-over plans.

As reported on January 23 group pre-tax profit increased from £615,000 to £776,000 in the 53 weeks to October 31, 1975, and the dividend is raised from 1.54325p to 1.9782p net.

An analysis of turnover (£000s omitted) shows cash and carry £12,807 (£9,177); delivered grocery £7,679 (£5,454); catering £7,957 (£5,909); import and manufacturing £4,291 (£4,984)—total £32,734 (£25,524).

Industrial and Commercial Finance Corporation holds 15.4 per cent of the Ordinary.

Meeting Dundee, March 11, at 3 p.m.

Higher bonus from Friends' Provident

The **Friends' Provident Life Office** has announced that it is increasing its full rate of terminal bonus, as from February 12, to 20 per cent. of attaching bonuses, applicable to business in both the U.K. and the Republic of Ireland.

This partially restores the cut made at the beginning of last year in the U.K. rate, when it was lowered from 22½ per cent. to 15 per cent., and wholly restores the reduction in the Irish rate—from 20 per cent. to 15 per cent.

The full bonus rate is payable on maturity for all with-profit endowment contracts and on whole-life death claims where the policy has run its expected term. In all other death claims—whole life and endowment—a reduced terminal bonus rate is paid.

Chubb denies anti-trust breach

Chubb and Son, the safe manufacturers, denies any breach of U.S.A. anti-trust legislation. Chubb has been indicted by a Federal Grand Jury, along with Diebold, a U.S. company, on criminal charges of conspiring to eliminate competition in sales of bank security equipment.

Chubb states that the allegation is "without merit and will be strenuously resisted."

City of BA Tramways

The liquidator of **The City of Buenos Ayres Tramways Company (1904)**, Mr. A. J. Seale, expects to make, in the absence of unforeseen circumstances, a [illegible] of not less than 1[illegible] to members at end[illegible]

This would brin[illegible] date to 129.65p per [illegible] be paid out of th[illegible] capital and intere[illegible] have matured or [illegible] mature, on July 1, [illegible] terms of the final [illegible] the company's [illegible] Anglo-Argentine Tr[illegible]

Mr. Seale reports [illegible] teenth capital bi[illegible] January 2, 1976 a[illegible] teenth interest bill [illegible]

City of Ldn. B[illegible] Trust

FIRST HALF to [illegible] 1975, gross revenu[illegible] of London Brewe[illegible] ment Trust increase[illegible] to £1.05m., and net [illegible] advanced from £0.5[illegible] Net revenue for a[illegible] June 30, 1975, was [illegible]

As known a secon[illegible] dend of 0.50p mak[illegible] 25p share to date, [illegible] 0.9p. Last year's to[illegible]

Franked income	[illegible]
Unfranked	[illegible]
Total gross	[illegible]
Management expenses	[illegible]
Past service pension	[illegible]
Taxation	[illegible]
Net revenue	[illegible]
Pf. & Pfd. Ord. divs.	[illegible]
Deferred	[illegible]

Investments wer[illegible] £29.39m. (£25.57m. [illegible] 1975) and net curre[illegible] £2.04m. (£2.82m.).

Net asset value [illegible] units after deductin[illegible] was 58.3p (51.9p), [illegible] full investment curr[illegible] of 2.4p (2.3p). In [illegible] values would be [illegible] loss of investm[illegible] premium of 0.6p [illegible] liability for tax on [illegible] estimated at 2.9p ([illegible]

BOARD ME[illegible]

The following compan[illegible] dates of Board meetin[illegible] Exchange. Such meet[illegible] held for the purpose [illegible] dividends. Official in[illegible] available whether div[illegible] are interims or finals [illegible] divisions shown below [illegible] on last year's timetable.

TO-DAY

Interims—Orme Deve[illegible] Tools, United Kingdom [illegible]

Finals—Adams and [illegible] Ball, Charles Baynes, [illegible] Drayton Premier In[illegible] Meldrum Trust, New Yo[illegible] Investment Trust, Therm[illegible]

FUTURE D[illegible]

Interims—

Bogod-Pelepah

Garford-Lilley Industries

Guildhall Property

Tor Investment Trust

Town and City Properti[illegible]

Webb (Joseph)

Finals—

Allen Harvey and Ross

Anglo-International Inve[illegible]

Bath and Portland

Howden (Alexander)

IOM ASSOC[illegible]

The directors o[illegible] Associated Investm[illegible] that the company [illegible] from receivers of T[illegible] ment Trust 39.67 [illegible] capital of Isle of M[illegible] seas Estates Corp[illegible] consideration of £1[illegible]

هكذا أصل الأصل

هكذا صدر الأصل

...nding dividends ...netable

...he convenience of readers the dates when some of the ...ortant company dividend statements may be expected in ...few weeks are given in the following table. The dates ...those of last year's announcements, except where the ...ng Board meetings (indicated thus*) have been officially ... It should be emphasised that the dividends to be ...will not necessarily be at the amounts or rates per cent. ...he column headed "Announcement last year." Preliminary ...res usually accompany final dividend announcements.

	Date	Announcement last year		Date	Announcement last year
...	Mar. 26	Final 17.4%	Illingworth Morris	Feb. 14	Sec. int. 2.1%
...son	Feb. 18	Final 11.3%	*ICI	Feb. 19	Final 7⅞%
...rs	Feb. 19	Final 4.2%	Inveresk	Mar. 11	Final 9.5%
...tal	Mar. 12	Final 12.4%	Johnson and Firth Brown	Mar. 12	Int. 5.4%
...ent	Mar. 6	Sec. int. 3.8%	*Kleinwort Benson	Mar. 16	Final 11.3%
...and	Mar. 26	Final 7.3%	Ladbroke	Mar. 24	Final 33.8%
...rg	Mar. 7	Final 6.6%	*Lake and Elliot	Feb. 27	Int. 8%
...k	Mar. 4	Final 3.6%	Lex Service	Mar. 24	Final 5%
...rm	Mar. 4	Final 8.2%	Lister	Mar. 7	Int. 5.4%
[illegible]			Liverpool ... [illegible]		
...	Mar. 18	Final 23.8%	...Tube Investmts.	Mar. 24	Final 13.5%
			Unilever	Mar. 4	Final 7.6%
...e	Mar. 13	Sec. int. 27.4%	Unilever NV	Mar. 4	Final Fls.4.32
...	Mar. 7	Sec. int. 8.8% §	Union Corpn.	Feb. 26	Final due
...	Mar. 5	Int. 17.9%	United Biscuits	Mar. 11	Final 8.6%
...	Mar. 14	42 cts.	*Wedgwood	Feb. 19	Int. 17.9%
...c	Mar. 19	Final 8%	*Woolworth (F. W.)	Feb. 27	Final 16.8%
...	Feb. 20	Final 34.7%			
...	Feb. 26	Final 18%			

* Board meetings intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made from reserves.

...l Authority Investments

...THORITY loan rates ... on Tuesday of last ...cularly in the shorter ... the end of the week. ...onger term deposits ...ally firmer. Deposits ...uthorities at two days' ...ned at 8¾-9 per cent. ...with 9-9¾ per cent. at ... the previous week. ...sits at seven days' ... at 8¾-9½ per cent. ... per cent. Three-month deposits were quoted at 9¼-9½ per cent. compared with 9-9⅛ per cent. and the one-year mortgage finished at 10⅜-10⁹⁄₁₆ per cent., against 10½-10¾ per cent.

The Financial Times Government Securities Index finished at 63.47 compared with 63.84 on the previous Friday.

One year local authority bonds were placed during the week at par, with a coupon of 10⅜ per cent., unchanged from the previous week.

* Rate (%) February 13, 1976	
...ice (deposit receipt)	8¾ — 9
...ice (deposit receipt)	8¾ — 9¼
...ice after one month (deposit receipt)	9 — 9¼
...ice after three months (deposit receipt)	9¼ — 9½
...ice after six months (deposit receipt)	9¾
... one month's mutual notice after 11 months	10⅜ — 10⁷⁄₁₆
... one month's lender notice after 11 months	
... term 2-5 years	n.a.
...ortgage	11⅜ — 11⅝†
...ortgage	11¾ — 12†
...ortgage	12¼ — 12½†
...ortgage	12¾ — 12¾†
... mortgage	n.a.
... mortgage	n.a.

...re for sums not less than £20,000 and are subject to local ...d fluctuations. † Nominal. ‡ Shorter periods may attract ... than longer. n.a. Not available.

...ic Works Loan Board rates

Effective from February 14, 1976

	Quota loans Repaid By instalments	Quota loans Repaid At maturity	Non-quota loans Repaid By instalments	Non-quota loans Repaid At maturity
...	10¾	10¾	11¾	12½
... to 10	10¾	12¾	12½	13¼
... to 15	11½	13¼	12½	13¼
... to 25	13	13¾	13¾	14¼
...	13⅝	14	13⅝	14¼

...uota loans B are 1 per cent. higher in each case than ...oans A.

...ENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

INTERNATIONAL COMPANY NEWS

Shaheen refinery again faces bankruptcy

BY OUR OWN CORRESPONDENT HALIFAX, Feb. 15.

THE $200m. Newfoundland refinery of Shaheen Natural Resources of New York is again threatened by bankruptcy.

Atlantic Trading (Delaware), a subsidiary of Ataka of Japan, has had in interim receiver appointed to take over oil inventories it supplied to the British-built refinery.

Ataka acted as sales agent for British Petroleum in the supply of crude oil for the plant which opened at Come-by-Chance in January, 1947. With initial inventory financing of $42m. and $33m. in subsequent oil deliveries, Ataka claims an indebtedness of more than $75m.

Ataka is the refinery's major unsecured creditor. Recent attempts to gain a third mortgage on the plant failed. Ataka was forced to seek an affiliation with another Japanese trading company, C. Itoh, largely as a result of its Canadian financial difficulties.

The principal secured creditors are the British Export Credit Guarantee Department, which holds a $110m. first mortgage, and the Province of Newfoundland which has a $41m. claim secured by a second mortgage. UPO of Chicago, whose British subsidiary, Procon Great Britain, built the refinery, is owed $16.3m.

A number of Japanese banks have pledged to assist Ataka until the matter is resolved.

This is the second time in four months that an interim receiver has been named to manage the refinery. First National Bank of Chicago made a similar move last October. But the receiver was withdrawn after Shaheen met bank obligations estimated at about $20m.

The refinery's problems stem from technical difficulties the plant has encountered since production began and from a decline in market opportunities resulting from reduced world oil consumption and import restrictions imposed by the U.S. The refinery has never produced on a consistent basis at more than 70 per cent. of its design capacity. Following last October's move against the refinery by First National Bank, UPO assumed day-to-day management of the plant and said it would institute a technical evaluation of the defective equipment.

A Shaheen spokesman said yesterday that the company intends to sue the builders for $189m. The place and form of the action hasn't been finally determined but the suit will probably be brought in New York.

Petrofina has U.S. setback

By David Curry

BRUSSELS, Feb. 15.

INCREASED COSTS of crude oil are blamed by Petrofina for a sharp 1975 setback in the U.S. While gross revenue for American Petrofina edged ahead to $986m. against $953m. net earnings were more than halved to $40.2m. or $3.77 per share from $86.7m. or $8.13 a share. The high accrued costs were inadequately compensated for by increases in refined product prices while the company also felt a decline in sales and profits in the petrol chemical and plastic sectors.

The Canadian picture was brighter with net nearnings at $Can.32.8m. fractionally ahead of the previous year's $Can.30.6m. although the 1974 figure had been restated to reflect the write-off of good-will. Turnover was $Can.398.7m. against $Can.360.6m. with pretax profits 76.7 against 65.7. Half-year dividend is 0.55 cents per share. Higher crude and liquid natural gas prices are blamed for the modesty of the improvement.

OGEM cuts dividend

By Michael Van Os

AMSTERDAM, Feb. 15.

OGEM, the large Dutch-based industrial and trading company, said in Rotterdam that its net *profits in 1975 halved to about* Fls. 15m. from Fls. 30.1m. the year before.

It added in a short statement published in Rotterdam that, as it had reported earlier, the setbacks had largely been the result of disappointing results from its trading activities.

It has been proposed to fix the 1975 dividend at Fls. 1.70 per share of Fls. 10. This represents a sharp decline from the year before when the company paid Fls.2.30.

Glass losses at PLM

BY JOHN WALKER STOCKHOLM, Feb. 15.

THE SURTE glass factory, part of the PLM packaging and waste treatment concern, is to be closed down following a loss of Kr.3.4m. in the glass division, according to the final report for 1975.

During the early part of last year, deliveries of the glass division to Swedish and Scandinavian markets fell to 60 per cent. of the glass division's capacity.

Profits before tax, appropriations and extradorinary items amounted to Kr.48.5m. (compared with Kr.116m. in 1974), and turnover rose by 22 per cent. to Kr.1.7bn. Net earnings per share amounted to Kr.10 compared with Kr. 22 in 1974. The dividend remains unchanged at Kr.5.50 per share.

In a forecast for 1976, PLM said it expects a continued downturn on the business cycle during the first half but expects a rise in demand in the second half of the year. A 7 per cent. increase in turnover is forecast for 1976 as a whole.

Goodrich sales fall

B. F. Goodrich reports that the world-wide business recession in 1975 and liquidation of inventories by customers severely reduced demand for the company's products, causing sales for the year to decline to $1.90bn. from $1.97bn. in 1974.

Net income for 1975 was $25.6m. (or $1.65 a share) compared with $51.9m. (or $3.49 a share) in 1974.

Although profits improved somewhat in 1975 in the company's tyre division, the chemicals, plastic materials and manmade rubber operations suffered declines from the very high earnings levels seen in 1974.

World Economic Indicators

UNEMPLOYMENT

	Jan. 76	Dec. 75	Nov. 75	Jan. 75
U.K. 000's s.a.	1,205	1,163.1	1,125.3	675
%	5.2	5.0	4.8	3.0
U.S.A. 000's s.a.	7,300	7,768	7,701	7,529
%	7.8	8.3	8.3	8.2
W. Germany 000's	1,351	1,223.4	1,114.2	1,154.3
%	5.9	5.3	4.9	5.1
Holland 000's	250	239	222	206
%	6.1	5.9	5.4	5.0
France 000's	1,017	1,010	1,020	766
%	4.6	4.6	4.6	3.4
Belgium 000's	229.2	229	217	147.8
%	8.7	8.7	8.2	5.7
	Dec. 75	Nov. 75	Oct. 75	Dec. 74
Japan 000's	1,050	980	1,030	830
%	2.0	1.8	1.9	1.6
	Oct. 75	July 75	April 75	Oct. 74
Italy 000's	699	648	667	605
%	3.6	3.6	3.5	3.0

MINING NOTEBOOK

Poseidon overshadowed but not idle

BY LODESTAR

EVERYBODY seems intent on drawing analogies between the current high flyer Pancontinental and that former Australian share market star Poseidon, but nobody seems to comment on what the latter company is doing now.

This is a plaint that has reached me from various sources lately. Well, at least Poseidon and Mr. Norman Shierlaw, whose name also achieved considerable notoriety in the boom days, are not just standing by idly.

One of their most remarkable performances has been the capture of the project managership for Queensland Mines' Nabarlek uranium deposit in the Northern Territory the early discovery of which was unfortunately surrounded by controversy, but which still ranks high as one of the major potential producers in this number one area for future supplies of the nuclear fuel. Presumably Poseidon would have won this new role against considerable competition.

It is understandable that Poseidon would be seeking new fields to conquer now that its Windarra nickel find, which started the original uproar, is an established producer under the managerial guidance of Western Mining, and which has now reached its initially planned ore production rate of 1m. tonnes a year.

Newmont deal

Poseidon is also still hot on the farm-in trail, namely obtaining powerful partners for exploration of promising mineral areas. The latest deal has been done with America's Newmont and ICI Australia. It concerns a base-metal prospect in the Murchison district of Western Australia, in which the company is content with retaining a minority 45 per cent. interest.

The injection of capital by America's Homestake into the embattled Kalgoorlie gold mining interests is at least turning a highly negative situation into one of some positive hope for the long-term future. And the Windarra operation should prosper as the world nickel picture brightens. As mentioned here last week, the course of the market in the shares of the major international producers is already beginning to anticipate this prospect.

So the verdict for Poseidon holders now is that they are still a long way off, even after all these years, seeing the kind of earnings which would put the shares on a strongly based upward path, but there are still enough prospects for a more ephemeral rise to come about in the interim period.

APC's gold

In May 1974 this column was headlined "Associated Portland Cement looks for gold." It was on a report that Union Corporation was probing the Orange Free State mineral rights of the U.K. group's South African subsidiary, Whites Cement. The Hennenman area was the target. The APC chairman described the venture as "an interesting development." The bullion price was then in the $170 to $180 region.

Subsequently, little or nothing has been heard of the exercise, and gold is back around $130 an ounce. Now, however, some news has been forthcoming, a Johannesburg correspondent reports. The drilling programme is nearing its end but Blue Circle Cement (as Whites is now called) says that a decision on whether there is a viable mining proposition is unlikely before the end of the year.

All four drills to date cut the gold horizons. A fifth is being put down. The company considers that the extent of the potential field, based on the Kimberley reef series, will be confined to the relatively small area discovered in 1947. Johannesburg Consolidated walked away from the ground after obtaining values up to 739 centimetre-grams (170 inch-dwts) at around 3,000 feet.

Nevertheless, in Johannesburg it is still considered that there is a reasonable chance of a small mine being established particularly if the gold price takes off again. Blue Circle shares soared to 350 cents at one time, but are now back to 125 cents.

Those who bought APC in May, 1974, will have done all right. The shares were then 141p and are now 184p. The Union Corporation Group, which has been doing the drilling, has a 50 per cent. stake in the venture in return for expenditure of up to R1m. (£0.57m.) on the project. UC also has a holding in Blue Circle.

Minorco's trend

On Friday, the Ordinary shares of the Anglo American Corporation group's Minerals and Resources Corporation dropped to 208p, a natural enough reaction to the dispiriting half year results detailed in that day's Mining News column. But, despite the passing of the interim, a reflection of the Zambian copper mining slump, there was a feeling in the market that a buying bell may actually be ringing.

There is a good deal of irony in Minorco's capital situation. It was out of fairness to shareholders in Zambian Anglo American that in 1974 the "A" shares' dividends were "restricted" to the income accruing from the newly-acquired stake in America's Engelhard Minerals, leaving the Ordinary shares to bask in the sunshine of the Zambian copper earnings. These have disappeared, whereas the Engelhard income has contained to flow strongly. Thus in the latest half year the "A" shares received disbursements of $US3.43m., whereas the Ordinary got nothing.

At least this situation is approaching its end. After the close of the financial year to June the "A" shares will become Ordinary shares and the capital as a whole will rank for distributions from all sources.

It is considered particularly puzzling that the half-year statement contains no reference to the 43 per cent. stake in Trend Exploration, an established oil producer and profit-earner which must play an important part in Minorco's future.

The other 57 per cent. of Trend slots into another corner of the vast Anglo American empire, Hudson Bay Mining's Francana Oil and Gas. In November, Hudbay stated that Trend's profits were "gaining a more prominent position in the company's net earnings." Production from the Indonesian oil concession continued to increase.

So not all is black in the outlook for Minorco shares which, in all the circumstances, could be one of the best areas for participating in the hoped-for copper price upswing. Engelhard's price has climbed from $23 to $29⅜ in New York since the beginning of the year. Charter Consolidated has a 20 per cent. holding in Minorco's "A" shares. London jobbers *Stocken and Lazarus recently* issued a market circular setting out the Minorco position.

* * *

Last week I mentioned a "Dublin" brokers 14-page analysis of the prospects for Ireland's Silvermines company in connection with my report, since officially confirmed, that Noranda's Kerr Addison had taken over International Mogul's 75 per cent. stake in the Silvermines lead-zinc operation in Tipperary.

The brokers, Harvey and Leahy, now point out from Cork that the analysis was compiled by their Limerick office; that they have no idea where Dublin is, although it's a long way from Tipperary: and that Ireland is an Atlantic island somewhere between the Isle of Man and the U.S. Point taken!

Meanwhile, Silvermines are virtually unchanged at 59p. But Northgate have further advanced to 385p, a rise on the week of 37p and of 145p since bid talk for the company was first reported here in November. It still seems to be rife, but in this kind of situation a profit is a profit.

Money & Exchanges

Bank of England Minimum Lending Rate 9¼ per cent. (since February 6, 1976)

Short-term fixed period interest rates were slightly firmer in general in the London money market last week, in contrast to their recent sharp decline. Discount houses buying rates for three-month Treasury bills remained steady for the most part at around 8¹⁵⁄₁₆ per cent., and the three-month sterling certificate yield was at 9¹⁄₁₆-9⅛ per cent., compared with 9¹⁄₁₆-9 per cent. on the previous Friday.

At the weekly Treasury bill tender the average rate of discount rose by 0.0853 per cent. to 8.8544 per cent. and Bank of England Minimum Lending Rate was unchanged at 9¼ per cent.

Day-to-day credit was in very short supply in the early part of the week, and the authorities gave very large assistance on Monday by buying Treasury bills and Corporation bills, and also by lending overnight to four or five houses at Minimum Lending Rate. Further large lending to six or seven houses on Tuesday was required partly because of repayment of the temporary release of special deposits. The shortage on Wednesday was also relieved by official lending, which was on a very large scale, to seven or eight houses. The authorities bought a large amount of Treasury bills and corporation bills on Thursday, and a small amount of Treasury bills on Friday.

Sterling fell to its worst level ever against other major currencies on Thursday, with its trade-weighted average depreciation since the Washington Currency Agreement of December 1971, as calculated by the Bank of England, widening to 30.6 per cent. at one point but closing at 30.5 per cent. on Friday. The pound tended to decline with the U.S. dollar for most of the week and its value in terms of the dollar was generally within a range of $2.0240 to $2.0300, and closed on Friday at $2.0245-2.0255, a fall of 20 points on the week.

The dollar's trade-weighted average depreciation, as calculated by Morgan Guaranty of New York, widened to 2.78 per cent. from 2.66 per cent.

The main interest last week, however, centred around the currencies in the European joint float, and sterling which is not a member of the currency "snake" was not under heavy pressure, though the Bank of England may have intervened in the market from time to time. Of those currencies within the "snake" the West German mark and Dutch guilder were very firm, while the French franc, Belgian franc, and Danish krone were near the bottom of their agreed limits in the float.

Support for the French franc by the Banque de France is probably in excess of $1.75bn. since the beginning of the current bout of unrest in the foreign exchange market, and the West German authorities gave assistance last week to the French franc, U.S. dollar and Danish krone.

The Dutch central bank supported the Belgian franc and Danish krone to maintain the guilder, franc and krone within the limits of their own joint float agreement.

From outside the European "snake" there was further evidence of support for the U.S. dollar by the Japanese and Swiss authorities.

The Italian lira recorded little change, following the news that a new Italian Government had been formed. Its trade-weighted depreciation, on the Morgan Guaranty basis finished at 43.48 per cent., a fall of 12.76 per cent. since the closure of the Italian foreign exchange market in January. The Spannish peseta, which had been under some pressure since the beginning of the current market unrest, was devalued by 11 per cent. last Monday.

EXCHANGE CROSS-RATES

Feb. 13	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankfu't	—	2.547-548	56.80-90	8.518-528	5.156-163	96.96-96.0	99.80-90
N. York	39.23-25	—	22.30-32	2.5575-560	2.025-02.55	37.71-73	39.20-22
Paris	175.275-675	4.4582-4690	—	11.431-456	9.029-064	168.24-64	174.235-335
Brussels	15.33-38	39.05-06	8.72-75	—	79.01-14	14.71-722	15.30-34
London	5.16¼-16½	2.0245-55	9.04¼-05¼	79.10-30	—	5.37-38	5.16¼-17¼
Am'rdam	104.185-215	2.6502-27	59.31-36	6.7806-55	5.3665-3715	—	103.975-025
Zurich	100.05-18	2.5605-20	56.82-86	6.51½-52½	5.1650-95	96.89-96.13	—

[illegible]

EURO-CURRENCY INTEREST RATES*

[illegible]

GOLD MARKET

[illegible]

FOREIGN EXCHANGES

[illegible]

FORWARD RATES

—	One month	Three month
New York	0.80-0.70 c. pm	2.20-2.10 c.pm
Montreal	0.15-0.5 c.pm	0.50-0.20 c.pm
Amst'dam	3¼-2¼ c. pm	9¼-8¼ c.pm
Brussels	25 45 c.dis	15-35 c.dis
Cop'nhg'n	par 2 ore pm	4½-2½ ore pm
Frankfurt	5-2 pf. pm	8⅝-7⅝ pf pm
Lisbon	par - 100 c.dis	par-175 c. dis
Madrid	50c.pm.-50 c.dis	par-100c.pm
Milan	1 lirepm-2 liredis	1-4 lire dis
[illegible]		

SPECIAL DRAWING RIGHT RATES

[illegible]

OTHER MARKETS

[illegible]

WEEKLY AVERAGES OF U.K. INDICES

[illegible]

INSURANCE

For whom the bell tolls . . .

BY OUR INSURANCE CORRESPONDENT

THE burglar alarm, always an essential piece of crime prevention equipment, has in the last ten years undergone considerable development and variation principally as the consequence of the commercial crime wave of the mid-sixties when crime prevention and security research first became big business. But the principle remains basically simple: the burglar alarm however activated, by the physical breaking of contacts, by interference with light rays or by sound, must relay its warning either silently to the police or security force or audibly to passers-by and local residents, or both.

When insurers stipulate for the installation of an alarm as a pre-requisite of providing cover normally their surveyor will specify in some detail the kind of equipment that must be installed. If an audible alarm is fitted by itself then normally insurers will require it to ring as soon as it is activated, but if an audible alarm forms part of the system in conjunction with the silent alarm connected to the police station or security service then it may be agreed that the audible alarm should not sound immediately but only after a period of delay, the theory being that if by that time the police or security guards have not been summoned by the silent alarm then an attempt should be made to frighten off the criminal before he amasses too much loot.

Either way, once started the alarm may sound off for some while, *as any one* who has an alarm or lives near one, will know. British Standards which provide the yardsticks for quality and efficiency for so much anti-crime equipment, specify that once started the bell must sound for a minimum of 15 minutes. There is no BS maximum. However some, but not many, local authority by-laws cut this time back to ten, even to five minutes, on the argument that if the bell has not done its stuff straightaway by drawing public and police attention and by deterring the criminal, then probably it will not be effective because after such a lapse of time no one will take any notice of it but regard it simply as a nuisance.

Now, the Department of the Environment is intent on having its say. A consultation paper has been produced and circulated on minimising the noise made by audible burglar alarms and comments are invited from interested organisations. The D of E has in mind that if a consensus can be achieved then a Code of Practice might be established under the Control of Pollution Act 1974 which is concerned with noise as well as material pollution.

The relevant section of the Act allows prosecutions to be brought for failure to use the best possible means to minimise noise—but such a Code of Practice, if established, would not have statutory force so that its breach would automatically give rise to proceedings: rather would the breach of the code be evidence which the courts could take into account in deciding whether or not to convict.

The D of E proposes that the construction, installation, operation and maintenance of all external audible alarm systems fitted to commercial premises should conform to the appropriate British Standard. This should not worry the principal alarm companies who already conform by virtue of their presence on the roll of membership of the National Supervisory Council for Intruder Alarms.

Another proposal is that the maximum period for which an alarm should sound is 20 minutes, a time which is apparently thought suitable for police security force or the keyholder to reach the premises: but individual local circumstances are so variable that the wisdom of establishing any arbitrary period is surely indecisively arguable. One suggestion the D of E makes is that once the alarm ceases to sound a flashing light should take over: at night in an urban area this could be more irritating than the noise it replaces, while by day it might scarcely be readily visible and if visible would surely attract even less attention than the alarm bell.

Once all the proposals and suggestions are codified, the thought of the D of E is that there should be a run-in period of two years before the code should become effective, to allow installations where necessary to be changed.

The cost of such change, need it be said, will fall on those who have sub-standard installation. But what is sub-standard is still open for discussion between policyholders, insurers, police and the alarm companies, all of whom must be more concerned to deter if not to completely prevent criminal incursion than to eliminate a few decibels of noise.

Norwich Union

The Norwich Union Insurance Group is offering better terms on its Minimum Cost contract, following the recent improvement in its bonus rates for with-profit business.

This contract is a with-profit endowment used to repay a house mortgage, in conjunction with a decreasing term assurance, so that the estimated maturity value based on a bonus rate lower than that currently being declared, repays the martgage.

The NU has increased the assumed rate of bonus to £3.50 per cent. thereby reducing the premium to meet a given amount of mortgage.

INSURANCE BASE RATES

† Atlantic Assurance	10¼%
Cannon Assurance	8¼%

† Address shown under Insurance and Property Bond table.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

EUROBONDS

Longer life for dollar issues

BY MARY CAMPBELL

FOR A brief moment last week, on Friday evening, there were no dollar - denominated Eurobond issues in the market. Mitsui Mining and Smelting's $25m. 9½ per cent. borrowing had been priced at par, and no further issues had been announced.

After January's new issue total of over $2bn., the Eurobond market certainly had every excuse for a rest. And early last week the overhang from January, the currency unrest and the growing indications that interest rates were unlikely to fall further all combined to produce a cautious attitude. However, as the week wore on the activity in the secondary market suggested that there was still room for further new issues. In fact, the indications were that interest is increasing at the longer end of the market.

On Friday night, the manufacturing arm of Michelin announced a $60m. ten-year issue with an indicated coupon of 9½ per cent. Banque de Paris et des Pays Bas is lead manager. Expected to-day is a $30m. 12-year 9½ per cent. issue for the City of Oslo via Kuhn Loeb. Banque Nationale de Paris is launching a floating rate note issue.

Elsewhere in the market, Iceland's unit of account issue received a good response and was increased from U/A 12m. to U/A 15m. The seven-year issue was priced at par on a 9½ per cent. coupon.

The possibility of a D-mark revaluation excited interest in this sector. Hitachi Shipbuilding's issue was priced at par, while by Friday it looked likely that the Asian Development Bank's DM100m. 8 per cent. six-year issue would also be priced at par despite the original indication of 99. New Zealand has launched a DM100m. seven-year issue via Commerzbank with an indicated coupon of 7¾ per cent.

Despite the weakness of the franc, the Caisse Centrale de Co-operation Economique is making a Frs.100m. seven-year issue, indicated coupon 9¾ per cent., via Société Générale.

Margins squeezed at Protea

By Richard Rolfe

JOHANNESBURG, Feb. 15.

FURTHER evidence of the margins squeeze developing in many sectors of South African industry comes with the interim figures from Protea Holdings for the six months to end-December. Turnover of this conglomerate which spreads across the electrical, chemical, building and paper industries rose from R78.9m. to R95.2m. for the six months, but pre-tax profits marked time at R8.3m.

At the net level there was a slight hardening by R0.1m. to R4.8m. but in per share terms the results shaded 0.2c to 16.2c, issued share capital rose 670,000 shares to R29.5m. The interim dividend has been held at 3c.

The Board regards maintained profits as satisfactory in the general trading conditions, with cost increases the main adverse factor. Assuming no further deterioration and—an important reservation—no change in the corporate tax rates, profits for the full year are expected to approximate to those of last year, suggesting earnings of about 33c.

Last year's dividend was 13c and the total this year could be a point higher, according to market opinion. At 120c. Protea yields a minimum of 10.8 per cent.

AMEV sees two good years

UTRECHT, Feb 15.

AMEV said it expects good results in 1975 and, subject to any unforeseen circumstances, also in 1976. No profit figures however are yet available.

In 1975 the growth in turnover outstripped inflation and the company's asset position was considerably strengthened.

Net profits in the first half of 1975 were Fls.15.7m. (Fls.36.2m. for the whole of 1974).

Growth at Petrobras

RIO DE JANEIRO, Feb. 15.

THE BRAZILIAN Government-run oil monopoly Petrobras said that the company's net profits in 1975 were $560m.—up 53 per cent. on 1974.

Petrobras also confirmed that it will invest $685m. this year, in order to intensify oil exploration on the nation's continental shelf. The amount quoted is almost double the total invested in 1975.

Offshore drilling will be mostly off the north-eastern States of Sergipe and Alagoas.

BHP not to increa[se] ARC sta[ke]

By James Forth

SYDNE[Y]

AUSTRALIA'S so[...] ducer, Broken Hil[l] has been told not [...] shareholding any [...] steel reinforcing [...] group, ARC Indus[...]

The Trade Prac[tices Commis]sion asked BHP [...] ago to stop buying [...] after it had built [...] cent. stake in the [...]

It was the first [...] taken under the re[...] Trade Practices A[ct ...] mission could hav[e ...] to divest itself of [...] if it reduced comp[...]

The TPC has n[...] it will take no ac[...] BHP agrees not t[...] stake in ARC. BH[P ...] that it has no [...] increasing its pres[ent ...]ing

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
Feb..					
13 ...	71.36	200.96	958.36	88.03	23,270
12 ...	71.32	201.31	966.78	89.16	28,610
11 ...	71.26	202.75	971.90	89.31	32,500
10 ...	71.21	200.41	968.75	88.60	27,660
9 ...	71.22	199.34	957.18	89.47	26,340
6 ...	71.16	198.56	954.90	89.82	27,360
5 ..	71.23	198.82	964.81	91.13	35,730
4 ...	71.16	201.84	976.62	91.90	38,270
3 ...	71.16	199.43	972.61	91.29	34,090
2 ...	71.21	199.03	971.35	91.00	24,000
Jan..					
30 ...	71.26	199.35	975.28	90.87	38,510
29 ...	71.20	198.05	968.75	91.07	29,800
28 ...	71.15	195.64	951.35	90.56	27,370
27 ...	70.92	197.26	957.81	90.75	32,070
26 ...	70.94	197.26	961.51	90.66	34,470
23 ...	70.90	197.38	953.95	90.82	33,640
22 ..	70.55	195.57	943.48	89.98	27,420
21 ...	70.85	195.77	946.24	90.24	34,470
1975-76 High	71.36 (15/2/76)	202.75 (11/2/76)	976.62 (4/2/76)	91.90 (4/2/76)	—
Low	68.16 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	58,510 (30/1/76)
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Feb. 6	Jan. 30	Feb. 7, 1975
3.91	3.83	5.36

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975-76 High	1975-76 Low	Feb. 13	Feb. 12	Feb. 11	Feb. 10	Feb. 9
54.24 (4/2/76)	37.06 (2/1/75)	53.27	53.55	53.78	53.56	53.10

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,890	596	881	413

	Feb. 13	Feb. 12	Feb. 11	Feb. 10	Feb. 9
New Highs	116	234	275	188	142
New Lows	three	two	one	two	one

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975-76 High	1975-76 Low	Feb. 13	Feb. 12	Feb. 11	Feb. 10	Feb. 9
99.54 (13/2/76)	62.20 (2/1/75)	99.54	99.24	98.82	98.29	97.58
Volume (000's)		5,420	5,970	5,850	5,460	2,950

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Feb. 13	111.84	99.67
12	112.52	100.25
11	113.10	100.77
10	112.75	100.47
9	111.73	99.62
6	111.53	99.46
5	112.55	100.39
1975-76 High	114.31 (4/2/76)	101.91 (4/2/76)
1975-76 Low	77.71 (8/1/75)	70.74 (8/1/75)

*425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Feb. 13 1976	Feb. 5 1976	Feb. 5 1975
Ind. Ord. yield pc ...	3.35	3.30	4.34
Ind. Ord. p/e ratio ..	13.86	14.06	8.64
Long-term Gov. Bds. per cent.	5.79	5.81	6.21

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Massey Ferguson ...	377,800	27⅞	+1⅜
Texaco	309,800	25¼	−⅛
Ramada Inns	303,100	6¼	—
Pan Amer. Airways	273,900	6⅛	+⅛
Reserve Oil	223,100	11⅛	+⅛
Grace W. R.	210,900	30	+1
Eastman Kodak ...	188,200	108	−3¼
General Motors	173,400	63¼	−⅛
Westinghouse Elec.	169,800	15⅛	−⅛
Searle G. D.	169,500	15⅛	+⅜

TORONTO

INDUSTRIAL INDEX

Feb. 13	Feb. 12	1975-76 High	1975-76 Low
191.61	192.66	196.50 (15/7)	159.41 (3/1)

MONTREAL

INDUSTRIAL INDEX

Feb. 13	Feb. 12	1975-76 High	1975-76 Low
196.82	199.19	205.61 (15/7)	159.03 (2/1)

COMBINED INDEX

Feb. 13	Feb. 12	1975-76 High	1975-76 Low
192.68	192.82	198.00 (12/7)	158.05 (2/1)

JOHANNESBURG

	Feb. 12	Feb. 11	1975-76 High	1975-76 Low
Industrials ...	212.6	214.3	238.9 (18/7)	183.3 (23/1)
		212.3		
Golds ...	212.3	211.9	379.1 (12/1)	199.2 (9/12)

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Feb. 12	Feb. 5	Jan. 29
On Dividends...	5.66	5.56	5.43
On Earnings...	9.25	9.26	8.97

SYDNEY ALL ORD. INDEX

Feb. 13	Feb. 12	High 1975-6	Low 1975-6
449.76	449.60	472.06 (23/1/76)	289.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Feb. 13	Feb. 12	High 1975-6	Low 1975-76
336.85	335.02	342.84 (1/2/76)	268.24 (10/1)

HONG KONG INDEX ϕ

Feb. 13	Feb. 12	High 1975-6	Low 1975-6
409.33	404.53	434.48 (4/2/76)	150.42 (9/1)

SINGAPORE INDEX §

Feb. 13	Feb. 12	High 1975-6	Low 1975-6
277.19	278.97	286.16 (3/2/76)	154.20 (3/1)

EUROPE

	Feb. 13	Previous	1975-6 High	1975-6 Low
Belg'm (a)	111.62	111.76	113.81 (5/2/76)	89.07 (2/1)
Denm'k (b)	104.00	104.18	107.78 (27/1/76)	76.08 (15/1)
France (d)	70.3	70.4	73.5 (23/4)	51.70 (2/1)
Germ'y (e)	786.8	790.3	797.0 (6/1/76)	575.5 (2/1)
Holland (f)	102.4	103.3	107.6 (6/5)	85.2 (2/10)
Italy (g)	86.59	86.63	108.88 (21/2)	76.41 (17/10)
Spain (h)	93.70	93.76	110.98 (22/4)	91.65 (19/9)
Sweden (k)	415.29	419.10	419.63 (6/2/76)	310.06 (9/1)
Switz'rl'd (m)	293.2	294.9	297.7 (16/1/76)	226.3 (2/1)

Indices and base dates (all base values 100):— (a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ϕ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

AUSTRALIAN WEEKLY LIST

Australian $	Feb. 13	Feb. 6	Australian $	Feb. 13	Feb. 6
Advertiser Newspaper	1.58	†1.58	Kiwi Ins.	0.73	†0.57
Ansett Transport	1.05	†1.00	M.L.C.	‡3.20	†3.40
Assd. Securities	0.55	†0.58	Mauri Bros.	0.97	†1.05
Aust. Guarantee	†1.85	†1.80	Mayne Nickless	1.78	†1.80
Aust. Paper M'nf'rg..	‡1.39	‡1.42	Nylex Corporation	0.68	†0.71
Boral	2.35	†2.35	Olympic Cons	0.65	†0.66
Bramble Inds.	1.86	†1.85	Overseas Corporation	1.60	†1.60
Burns Philp	†2.50	†2.56	Petersville	0.30	†0.30
Carpenter (W.R.)	1.60	†1.60	Queensland Cement	1.55	†1.55
Castlemaine Perkins	4.05	†4.15	QBH	‡1.23	†1.20
Coal & Allied	2.00	†2.02	Rocla Industries	†1.25	‡1.22
Commercial Bank	2.70	†2.80	Swan Brewery	†1.62	†1.62
Commercial Union	†0.60	†0.62	TV Corporation	3.00	†2.95
Commonw'lth Mining	†2.85	†2.70	Thiess	1.90	†2.10
Grace Bros.	2.16	†2.20	Thomas Nat. Trans.	1.40	‡1.50
Hardie Asbestos	5.20	†5.16	Tooheys	1.60	†1.70
Herald & Weekly	2.20	†2.20	Travelodge	0.35	‡0.40
Humes	1.00	†1.02	Woodside Burmah	1.20	†1.25

† Buyer. ‡ Seller.

TEL AVIV STOCK EXCHANGE

Company	Prices Feb. 15 1976	Change on the week	Company	Prices Feb. 15 1976	Change on the week
Banking, Insurance and Finance			**Investment Companies**		
Bank Leumi Le Israel	204.5	−0.5	Bank Leumi Invest	190.5	+1.5
I.D.B. Bankholding	222	—	Discount Bank Invest Br.	178.5	−4.0
Bank Hapoalim Br.	281	+1.0	'CLAL' Israel Invest	220	—
Union Bank of Israel Br.	250	+0.5	'CLAL' Industries	119	+4.0
United Mizrahi Bank	157.5	+0.5	**Commercial and Industrial**		
Hassneh Insurance Br.	265	+2.0	Alliance Tire & Rubber	655	+15.0
Wolfson Clore Mayer Br.	76	+1.0	Elco Br.	292.5	+25.0
General Mtge. Bank Br.	206.5	−1.5	Argaman Textile Br.	207	—
'Tefahot' Israel Mort. Bank Br.	207.5	+11.5	'Ata' Textile 'B'	116	−4.0
			Dubek Br.	530	—
			Elec. Wire & Cable Br.	101	−4.0
			Solel Boneh 10% Pref. Br.	133	−6.0
			American Israeli Paper Mills	290	+4.0
			Assis	180.5	−4.5
Land Development			Tall Manuf. of Plywood Br.	107.5	+0.5
Africa Israel Invest. I£10	346	—	Hilte	225.5	−4.5
Israel Land Devel. Br.	132	+0.5	Polygon	100	−4.0
Property and Building	172	−2.0			
Mehadrin	316	+1.0			
Public Utility			**Fuel and Oil**		
Israel Electric Corp.	222	+11.0	Delek	165	+3.0

Source: Bank Leumi Le Israel. Tel Aviv.

HONG KONG

SINGAPORE STOCKS

I.G. INDEX

GOLD 129¼-132¼

CORAL INDEX

Close 405-410

JOHANNESBURG

MINES

INDUSTRIALS

CANADIAN WEEKLY LIST

AUSTRALIA

OVERSEAS SHARE INFORMATION

NEW YORK

CANADA

Investment premium based on $2.60 per £1—112¼% (113¼%).

GERMANY ♦

PARIS

BRUSSELS/LUXEMBOURG

OSLO

MILAN

SWITZERLAND

STOCKHOLM

TOKYO ¶

AMSTERDAM

COPENHAGEN

VIENNA

SPAIN ▼

NOTES: Overseas prices exclude $ premium. Belgian dividends are shown after withholding tax.

♦ DM50 denom. unless otherwise stated. ◈ Kr.100 denom. unless otherwise stated. ♣ Frs.500 denom. unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Divs. after pending rights and/or scrip issue. e Per share. f Francs. g Gross. ‡ Ex rights. § Ex scrip. ‖ Ex all. h Price. ¶ Unlisted div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. x Merger pending. * Asked. † Bid. ‡ Traded. § Seller. ¶ Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

هكذا اصل الأصل

AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

REGIONAL MARKETS

OFFSHORE AND OVERSEAS FUNDS

FINANCIAL TIMES STOCK INDICES

	Feb. 13	Feb. 12	Feb. 11	Feb. 10	Feb. 9	Feb. 6	A year ago
Secs.	63.47	62.72	63.14	63.10	63.27	63.84	58.62
...t	62.81	62.60	62.94	62.88	63.30	64.03	57.80
...dinary	405.5	400.0	400.3	403.1	399.6	407.7	275.1
	214.9	221.8	223.1	218.2	223.0	223.7	384.1
...eld %	5.17	5.24	5.23	5.18	5.21	5.11	7.18
...(full)(a)	15.05	15.24	15.21	15.03	15.12	14.84	20.28
...t (a) (b)	9.80	9.67	9.69	9.80	9.74	9.93	6.86
...ked	4,985	5,910	6,059	6,498	8,149	7,131	8,941
...ver £m	—	48.87	61.96	49.54	55.40	91.87	102.08
...ns total	—	13,421	16,630	14,309	16,586	20,916	26,025

10 a.m. 399.9. 11 a.m. 401.9. Noon 403.3. 1 p.m. 404.1. 2 p.m. 404.2. 3 p.m. 404.0.

Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=9.72.
... Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold ...55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

1975/6 High	1975/6 Low	Since Compilation High	Since Compilation Low
65.21 (30/1/76)	49.18 (3/1/75)	127.4 (9/1/35)	49.18 (3/1/75)
64.43 (2/2/76)	50.53 (3/1/75)	150.4 (28/11/47)	50.53 (3/1/75)
417.4 (30/1/76)	146.0 (6/1/75)	549.6 (19/6/72)	49.4 (26/6/40)
442.3 (22/5/75)	197.1 (20/1/76)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	Feb. 13	Feb. 12
Daily—		
Gilt-Edged	146.0	164.7
Industrials	156.5	187.2
Speculative	78.1	52.0
Totals	113.5	134.5
5-day Av'ge		
Gilt-Edged	177.4	179.1
Industrials	208.3	225.7
Speculative	58.3	55.0
Totals	143.8	153.5

FT—ACTUARIES INDICES

	Feb. 13	Feb. 12	Feb. 11	Feb. 10	Feb. 9	Feb. 6	A year ago
...roup	159.98	158.87	159.53	158.75	159.52	162.64	110.71
	174.85	173.55	174.34	173.61	174.14	177.20	118.83
	5.36	5.40	5.37	5.39	5.37	5.27	6.99
...etl	9.96	9.87	9.96	9.92	9.95	10.12	6.96
	167.01	166.07	166.74	166.26	168.84	170.10	117.81
...1 pc	13.53	13.81	13.61	13.81	13.79	13.14	14.73

BASE LENDING RATES

...ish Banks Ltd.	9½%	Julian S. Hodge	10½%
...rtuguese Bank	9½%	Industrial Bank of Scot.	10 %
...Ansbacher	10 %	Keyser Ullmann	10 %
...e Bilbao	9½%	Knowsley & Co. Ltd.	11½%
...e Jerez	10½%	Lloyds Bank	9½%
...Cyprus	10 %	London & European	11½%
...N.S.W.	9½%	London Mercantile	10½%
...du Rhone S.A.	10 %	Midland Bank	9½%
...Bank	9½%	■ Samuel Montagu	9½%
...Christie Ltd.	10 %	■ Morgan Grenfell	9½%
...Holdings Ltd.	11 %	National Westminster	9½%
...nk of Mid. East	9½%	Northern Comm. Trust	10 %
...Shipley	10 %	Norwich General Trust	10 %
...Permanent AFI	9½%	Portman Guaranty	11 %
...Bowater Co. Ltd.	10 %	P. S. Refson & Co.	9½%
...Holdings	10 %	Rossminster Accept'cs	9½%
...house Japhet	10 %	Schlesinger Limited	10½%
...Coates	11 %	E. S. Schwab	11½%
...lated Credits	12 %	Security Trust Co. Ltd.	11 %
...ative Bank	* 9½%	Shenley Trust	11½%
...an Securities	9½%	Standard Chartered	9½%
...Lyonnais	9½%	Sterling Credit	12 %
...awes	11½%	Thames Guaranty	11 %
...Brothers	11 %	Trade Development Bk.	9½%
...Lawrie	11 %	Twentieth Century Bk.	11½%
...Transcont.	11 %	United Bank of Kuwait	9½%
...ondon Secs.	9½%	Whiteaway Laidlaw	10 %
...Gibbs	9½%	Williams & Glyn's	9½%
...Durrant Trust	10 %	Yorkshire Bank	9½%
...and Guaranty	9½%		
...ys Bank	‡ 9½%		
...s Mahon	9½%		
...s Bank	9½%		
...& Partners	13 %		
...muel	§ 9½%		
...e & Co.	† 9½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5½%, 1-month deposits 5½%.
† 7-day deposits on sums of £10,000 and under 5½%, up to £25,000 6½% and over £25,000 6½%.
‡ Demand deposit 7%.
§ Call deposits over £1,000 5½%.

NOTES

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not available whether dividends concerned are interims or finals. The sub-division shown below is based mainly on last year's time-table.

TO-DAY

COMPANY MEETINGS—
Mills (A. J.). London Provision Exchange. S.E., 2.30

BOARD MEETINGS—
Finals:
Adams and Gibbon
Ball (W. W.)
Baynes (Charles)
British Enkalon
Drayton Premier Inv. Tst.
Meldrum Inv. Tst.
New York and Gartmore Inv. Tst.
Thermal Syndicate
Interims:
Orme Developments
Press Tools
United Kingdom Prop.

DIVIDEND & INTEREST PAYMENTS—
Aberdeen Tst. Db. 2pc
Banbury Ebbw Vale 6½pcBds. Red. 16.2.77 3¼pc
Bulmer and Lumb 1.125p
Hulett's Corpn. 6.18589p
Lankro Chems. 2.4p
Lintood 4p
Liverpool Daily Post and Echo 5pcPf. 1.75pc
Milbury 0.70396p
Southend-on-Sea 9¼pcBds. Red. 81-83 4⅝pc
Stead and Simpson Ord and A Ord. 0.5p
Stewart Plastics 2.51266p
U D S 2.1p
Uniroyal 5pcPf. 1.75pc. 5pc2ndPf. 1.75pc

TO-MORROW

COMPANY MEETINGS—
Hardys and Hansons. Nottingham. 12
Marley. Sevenoaks. 12
NSS Newsagents. Woking. 2.30
Trident Television. Dorchester Hotel. W., 11.30

BOARD MEETINGS—
Finals:
Bath and Portland
City Offices
H.T. Invs.
Imperial Metal Inds.
Kingside Inv.
Lancashire and London Inv. Tst.
Reliable Props.
Romney Tst.
Whittingham (William)
Interims:
Brotherhood (Peter)
Haggas (John)
Palmerston Inv. Tst.
Ramar Textiles
Rennies Consold
Richards of Sheffield
Sharpe (Charles)
Webb (Joseph)

DIVIDEND & INTEREST PAYMENTS—
Waddington (John) 1.3125p

WEDNESDAY, FEBRUARY 18

COMPANY MEETINGS—
Bank Leumi (U.K.). 4. Woodstock Street. W., 11.45
Burton. Leeds. 12
Charterhouse. Abercorn Rooms. E.C., 12
CompAir. Great Eastern Hotel. E.C., 12
Killinghall (Rubber) Development Syndicate. 1. Great Tower Street. E.C., 12.30
McCorquodale. Basingstoke. 12.45
Nash (J. F.) Securities. Birmingham. 12
Nottingham Patent Brick. Nottingham. 12
Tobacco Securities Trust. 7. Millbank. S.W., 12
Yarrow. Glasgow. 3

BOARD MEETINGS—
Finals:
Albright and Wilson
Carrington Viyella
Copenhagen Handelsbank
Edinburgh and Dundee Inv.
Foreign and Colonial Inv. Tst.
Gen. Accident Fire and Life Assurance
Morris (Herbert)
Peninsular and Oriental Steam Nav.
Yeoman Inv. Tst.
Interims:
Bogod-Pelepah
Challenge Corpn.
Customagic Manufacturing
Eleco
Guildhall Prop.

DIVIDEND & INTEREST PAYMENTS—
Ampol Petroleum (Listing cancelled 29.1.78) 3 cts.
Anston 0.75p
Bedfordshire 11¼pcBds. Red. 18.2.76 £5.8099
Bracknell 11¼pcBds. Red. 18.2.76 £5.8099
Calderdale 11¼pcBds. Red. 18.2.76 £5.8099
Coventry 11¼pcBds. Red. 18.2.76 £5.8099
Crawley 11¼pcBds. Red. 18.2.76 £5.8099
Croydon 11¼pcBds. Red. 18.2.76 £5.8099
Dover 11¼pcBds. Red. 18.2.76 £5.8099
Dundee 11¼pcBds. Red. 18.2.76 £5.8099
Erewash 11¼pcBds. Red. 18.2.76 £5.8099
Fife 11¼pcBds. Red. 18.2.76 £5.8099
Gedling 11¼pcBds. Red. 18.2.76 £5.8099
Guardian Inv. Tst. Dbs. 1½ and 2pc (1953 Iss.)
Guardian Royal Exchange Assurance Db. 2¼pc
Hammersmith 11¼pcBds. Red. 18.2.76 £5.8099
Hartle Machinery Intnl. 0.9p
Havant 11¼pcBds. Red. 18.2.76 £5.8099
Hertsmere 11¼pcBds. Red. 18.2.76 £5.8099
Leeds 11¼pcBds. Red. 18.2.76 £5.8099
Llanelli 11¼pcBds. Red. 18.2.76 £5.8099
Nash (J. F.) Secs. 2.465p
Newark 11¼pcBds. Red. 18.2.76 £5.8099
Newcastle-upon-Tyne 11¼pcBds. Red. 18.2.76 £5.8099
North East Derbyshire 11¼pcBds. Red. 18.2.76 £5.8099
Smith Wallis 1p
South Bedfordshire 11¼pcBds. Red. 18.2.76 £5.8099
Sperry Rand 19 cts.
Surrey 11¼pcBds. Red. 18.2.76 £5.8099
Tameside 11¼pcBds. Red. 18.2.76 £5.8099
West Yorkshire Passenger Transport Executive 11¼pcBds. Red. 18.2.76 £5.8099
Winchester 11¼pcBds. Red. 18.2.76 £5.8099

THURSDAY, FEBRUARY 19

COMPANY MEETINGS—
Allied Breweries. London Hilton Hotel. W., 12
Beristord (S and W). Abercorn Rooms. E.C., 12
Century Securities. Manchester. 12
Greenall Whitley. Daresbury. 12
Hickson and Welch. 140, Buckingham Palace Road. S.W., 12
Liner Concrete Machinery. Newcastle upon Tyne. 11.30
North British Steel. West Lothian. 2.30
Vectis Stone. Newport. Isle of Wight. 12.15

BOARD MEETINGS—
Finals:
Allied Insulators
Anglo-Intnl. Inv. Tst.
Berisfords
Cornell Dresses
Imperial Chem. Inds.
London and Lomond Inv. Tst.
Newbold and Burton
Olives Paper Mill
Scottish Eastern Inv. Tst.
Interims:
Garford-Lilley Inds.
MFI Warehouses
Tor Inv. Tst.
Wedgwood
Wood (S. W.)

DIVIDEND & INTEREST PAYMENTS—
Batleys of Yorkshire 0.8p
British Building and Engng. Appliances 1p
Bucknall Tst. 0.525p
Clydesdale (TVL) Collieries 4 cts.
Goldhers (A.) 1.1025p
Griqualand Exploration and Finance 60 cts.
Lewisham 12¾pcBds. Red. 23.2.77 6⅜pc
North British Steel 0.975p
Nottingham Patent Brick 3.61p
Trans-Natal Coal Corpn. 4 cts.

FRIDAY, FEBRUARY 20

COMPANY MEETINGS—
Burco Dean. Great Eastern Hotel. E.C., 12
Raeburn Investment Trust. 21. Moorfields. E.C., 2.30
Seafield Gentex (Ordinary General Meeting). Youghal. 3
Simons. 4. London Fruit Exchange. Spitalfields. E., 12
Wearra. Kettering. 12.
Western Selection and Development. 25. City Road. E.C., 11.30

BOARD MEETINGS—
Interims:
Greaves Organisation
Hall (W. W.)
Neepsend

DIVIDEND & INTEREST PAYMENTS—
AGB Research 1.3p
Allied Inv. 0.20009p
Bank Leumi (U.K.) 4.572p
Braham Millar 0.6p
Bristol 11½pcBds. Red. 25.8.76 5¼pc
Burco Dean 1.81715p
Butterfield-Harvey 0.675p
Cannock Chase 11½pcBds. Red. 25.8.76 5¼pc
Caterpillar Tractor 50 cts.
Chancery Consold 0.8444p
Charterhouse 2.175p
Crown House 0.65p
Dacorum 11½pcBds. Red. 25.8.76 5¼pc
Delson 1.5075p
Edinburgh 11½pcBds. Red. 25.8.76 5¼pc
Empress Services 0.2p
Hanson Trust 2.7274p
Hastings 11½pcBds. Red. 25.8.76 5¼pc
Hillingdon 11½pcBds. Red. 25.8.76 5¼pc
Horsham 11½pcBds. Red. 25.8.76 5¼pc
Killinghall (Rubber) Dev. Syndicate 4.665p
Kirklees 11½pcBds. Red. 25.8.76 5¼pc
Lee (Arthur) 0.8p
Leeds 11½pcBds. Red. 25.8.76 5¼pc
Lothian 11½pcBds. Red. 25.8.76 5¼pc
McCorquodale 8.75p
Marston Thompson and Evershed 0.625p
Merrill Lynch 20 cts.
Merton 11½pcBds. Red. 25.8.76 5¼pc
Newark 11½pcBds. Red. 25.8.76 5¼pc
Newham 11½pcBds. Red. 25.8.76 5¼pc
Osband Inv. 5½pcPf. 1.925pc
Restormel 11½pcBds. Red. 25.8.76 5¼pc
Salford 11½pcBds. Red. 25.8.76 5¼pc
Sentrust Beperk 12 cts.
Sheffield 11½pcBds. Red. 25.8.76 5¼pc
Tamworth 11½pcBds. Red. 25.8.76 5¼pc
Utico Ord. and Dfd. Ord. 8 cts. Pf. 3¼pc. Pf. 4pc
Vectis Stone 0.754p
Vulcanite 6½pcPf. 4.55pc
Wearra 0.35p
West Dorset 11½pcBds. Red. 25.8.76 5¼pc
Wigan 11½pcBds. Red. 25.8.76 5¼pc
Worthington (A. J.) 0.25p
Ynys Mon Isle of Anglesey 11½pcBds. Red. 25.8.76 5¼pc

SATURDAY, FEBRUARY 21

DIVIDEND & INTEREST PAYMENTS—
English and New York Tst. Dbs. 2 2½ and 2¼pc
Liner Concrete Machinery 0.4035p

Wine company's workers given closure warning

BY KENNETH GOODING

ONE OF THE FIRST big victims of the slump in the wine and spirit trade after the 1975 Budget is the Fitch Lovell group's subsidiary R. Gonzalez, based at Warrington.

Negotiations are going on for the sale of Gonzalez, which had a 1974 turnover of £6m., but the 100 employees have been warned that complete closure is possible.

The news coincides with publication of statistics showing that November wine sales fell by 20.6 per cent. on the same month in 1974. It was the worst November figure of the 1970s, according to the Wine and Spirit Association.

Estimates of the overall drop in wine consumption for the full year are confirmed at 7.1 per cent., subject only to the December figures expected next month.

At the end of the January-November period clearances from bond totalled 70m. gallons, a drop of 5.3m. gallons on the same months of 1974.

Fitch Lovell paid the equivalent of £324,000 in shares for Gonzalez in August, 1972. Two years later the company moved into a new £1.5m. bonded warehouse and bottling plant at Warrington, a move "more costly and disruptive than envisaged," according to Sir Charles Hardie, chairman of Fitch Lovell, in the annual report.

The big bottling plant was geared to a growth market for wine, but the Budget last year put paid to all growth. The company has no large "tied" trade of its own to keep the plant working at an economic capacity.

When the half-year results were published at the end of last month the chairman reported that Gonzalez had experienced another "poor result" and that "this company is giving cause for concern, and action has been taken."

Fitch Lovell said yesterday that "preliminary talks about the sale of the company have started."

Commenting on the state of the wine market generally as mirrored by the latest Customs and Excise statistics Mr. David Rutherford, chairman of the Wine and Spirit Association, said: "The figures confirm the worst fears of the trade and underline only too clearly the disastrous effect of the Chancellor's 1975 Budget.

"If trade volume is not to fall lower in 1976 the next Budget has got to hold duties rock-steady.

"If prices are not to rise further because of other pressures on costs, I am convinced that only the introduction of credit periods for duty payments will give traders sufficient capacity to absorb the worst cumulative effects of inflation. That is our message to the Treasury."

Average earnings still lag

BY MICHAEL BLANDEN

THE GOVERNMENT'S incomes policy and the rise in the level of unemployment have already had a marked effect on the level of real incomes, with average earnings lagging behind the rate of price inflation.

The wage and earnings figures for last month and December respectively, due to be published on Wednesday, are likely to illustrate this trend further.

The latest retail price index, which appeared on Friday, showed a continuing slackening of the inflation rate, with the increase in the cost of living in the 12 months to last month coming down to 23.4 per cent.

This showed the biggest fall from the previous month, at 1.5 percentage points, for 14 years. So far, weekly wage rates have continued to run ahead of the cost of living, with an increase of 25.3 per cent. over the year to December against a 24.9 per cent. rise in retail prices in the same period.

The earnings figures, which appear a month behind wage rates and prices, however, react more quickly and have more comprehensive coverage. In November the year-on-year increase of 21.2 per cent. was significantly below the level of inflation.

The effect of lower real incomes is also being reflected in the level of retail sales, which were running 5 per cent. down in the last quarter of last year, compared with the figures recorded around the end of the previous year. The figures for last month are due to be published to-day.

More hopeful signs of the economic recession bottoming out have been seen in the industrial production figures last week. In spite of uncertainties over their interpretation these suggested that output had at least levelled out after last year's sharp fall.

The improvement in the last quarter of the year should be reflected in the output-based estimates of gross domestic product due to be published on Wednesday.

TAX DEPOSIT CERTIFICATES

The rate of interest on new tax deposit certificates is reduced from 10 per cent. to 9 per cent to-day. The rate of interest on deposits withdrawn for cash remains 6 per cent.

COX AND WYMAN ON FULL-TIME

MORE THAN 500 employees at Cox and Wyman's printing works, Fakenham, Norfolk, who have been on a four-day week since November, return to full-time working to-day.

TRAVEL

COMPANY NOTICES

LEGAL NO

No. 00471 of
In the HIGH COURT
Chancery Division Comp
the Matter of UNITED
INSULATION SERVICES
in the Matter of The
1948

NOTICE IS HEREBY
Petition for the Winding
named Company by the
Justice was on the 10th
1976, presented to the
THE DINERS CLUB
registered office is situat
Street, London, W.1, an
Petition is directed to
the Court sitting at th
of Justice, Strand, Lon
on the 15th day of Marc
creditor or contributor
Company desirous to su
the making of an Ord
Petition may appear a
hearing in person, or
for that purpose; and
Petition will be furnishe
signed to any creditor
of the said Company
copy on payment of the
for the same.

E. R. SEAGER W
Faraday House,
8-10, Charing Cro
London WC2Y 8BU
Solicitors for the

NOTE.—Any person
appear on the hearing of
must serve on, or send
above-named notice in
intention so to do. The
the name and address o
if a firm, the name an
firm and must be signe
or firm, or his or their
and must be served, or
be sent by post in s
reach the above-named
four o'clock in the a
12th day of March 1976.

FINANCIAL TIMES SURVEY
Monday February 16 1976

MIDDLE EAST SHIPPING and PORTS

The Middle East is now the world's fastest growing trade bloc. The reopening of the Suez Canal and the expansion of Middle Eastern shipping lines are having considerable impact on the world shipping scene, but port congestion is a constraint.

New factor in world trade

By Richard Johns

…HE almost exponential … in petroleum prices …nue over the past few … should surprise no one … Middle East constitutes … fastest growing trade … he world to-day. For … ternational shipping … the main post-World … phenomenon until … was the growth of oil … ie greater proportion … is to and from the … w with tanker tonnage … nd orders for VLCC's … icelled as a result of … market conditions, the … ing positive aspect is … the ever-increasing … y cargo being shipped … Arab oil producing … and Iran.

…novement has been … by the reopening of … Canal last summer. … n at the ports of the … Red Sea and North … adding billions of … to the importing … payments, and tying … isiderable amount of … pacity. In turn—and … ironically — the … nto operation of the … ial can have only … the tanker business … ier, even if the flow … ugh the waterway has … limited.

…istics show that the … f Middle East coun… including Israel) rose … one third as much … ie world average from … 74 in terms of value. … eased almost fourfold … it $8.5bn. to $34bn., … with a threefold … globally. Admittedly, … el they accounted for … 4 per cent. of world … hich were reckoned to … bn., but they would have been about 20 per cent. of the $155bn. recorded by the developing countries collectively.

Moreover, last year there was a marked acceleration. Trade statistics of the Organisation for Economic Co-operation and Development (OECD) showed the industrialised countries' exports (f.o.b.) for the first half of 1975 to have been up 92 per cent. on the same period of the previous year at $21.5bn.—which compared with $27.6bn. for the whole of 1974.

In keeping with its relatively large population of some 33m. people, Iran has by far the largest capacity within the region for absorbing goods. The country probably imported as much as $12bn. worth in the course of last year, or twice as much as Saudi Arabia, Iraq and Algeria whose purchases for the year amounted to some $5-6bn. each. Next come Libya and Egypt with imports in the $3-4bn., range.

Actual usage of the Suez Canal in the past eight months has abundantly illustrated its advantages for dry cargo. Since it reopened for traffic on June 5 last year, the daily average of ships passing through the waterway has climbed from 12.6 in that month to 37.6 in January. No less than 91.7 per cent. of the vessels transitting last year were non-oil traffic. Particularly noteworthy was the number of Soviet and Greek ships—with the Russians accounting for a tenth of the total, 5,532 in 1975.

Only 8 per cent. of the vessels traversing last year were tankers, although in terms of tonnage they would have accounted for about 20 per cent. of the total—compared with 66 per cent. before the June War of 1967. For Egypt, which earned $75m. from dues in the first six months of the Canal's renewed operation (compared with $220m. in the year before closure), the performance may have been disappointing. But the fall in oil traffic was, of course, fully predictable following the wholesale construction of Very Large Crude Carriers (VLCCs) over the past seven years.

Of the 500 or so tankers plying the run from the Gulf to Europe and the U.S. in 1975 only a fifth were of a size small enough—up to 60,000 dwt—to transit the Suez Canal fully laden at its depth of 38 feet. Another third of this fleet—up to 150,000 dwt—would be able to use the waterway in ballast on the return journey to the Gulf. With dues set at $2.05 and high insurance premiums (despite a recent reduction), the Canal is only offering a clear competitive advantage for vessels sailing to Mediterranean and Black Sea ports.

Work on deepening and widening the canal is under way, although the first phase of the expansion seems unlikely to be completed much before 1980. The 53 foot draft planned will be sufficient to accommodate 150,000 d.w.t. tankers fully laden and 270,000 d.w.t. VLCCs in ballast, giving Egypt a better chance to win back a significant proportion of the Gulf oil business. At a cost now estimated at £E350m. (the equivalent of nearly $900m. at the official exchange rate) Egypt will be in a good position to win back a substantial share of the oil traffic, according to present predictions.

However, the second stage of the expansion seems much more problematical. The aim is to deepen the Canal to 67 feet which would permit the transit of fully laden 270,000 d.w.t. vessels. According to current estimates, this phase would cost over $4bn. and with so many variables involved in oil trade at stake it is impossible at this point to say whether such an investment could be justified.

Countries of the Gulf and Arabia have certainly benefited from the reopening of the Suez Canal—although the gains will have been more than offset by the enormous surcharges being incurred because of the acute congestion being experienced at nearly every port in the region. The same is true of North Africa. In general the Middle East's appetite for imports and ability to pay for them has far outstripped the capacity to unload the goods. Port congestion must be seen as the second biggest constraint to rapid development of the region after the shortage of skilled manpower. In most countries the problem has been compounded by lack of storage space and poor handling facilities.

By the end of 1975 the average waiting time for the Gulf as a whole was reckoned to be about 60 days. Nowhere has the failure to build up capacity in advance of demand been more apparent than in Iran. It is reckoned that surcharges resulting from port congestion will cost the country some $1bn. in the current financial year ending next month.

Iran has made great efforts to circumvent congestion by using road transport, but inexorably the queues at both the Turkish and Soviet borders have lengthened. The $1.2bn. loan facility extended by Iran to Turkey last year was aimed largely at helping with the improvement of overland transport facilities. Not surprisingly the Shah's Government reacted strongly when Turkey raised transit fees—and succeeded in forcing Ankara to reduce them again.

Saudi Arabia has experienced difficulties on a similar scale. By the end of 1975 several hundred vessels were lying at anchor off Jeddah and Dammam ports despite the fact that both had handled a volume of goods well above their rated capacities. Average waiting time for the year was some 30 days but many vessels had to stand for three months or more before unloading under the system of priorities adopted.

Congestion has proved contagious. For instance, Qatar's port at Doha seemed to be solving its problems last autumn as a result of improved handling and double-shift working until new pressure came from goods for onwards transportation by road to Saudi Arabia. More recently delays have lengthened at Kuwait because of the increased flow of goods for Saudi Arabia and Iraq. Similarly Jordan's Aqaba—where physical tonnage imported doubled last year—has felt the strain because of the calls made upon it by Iraq which has its own grave problems at the head of the Gulf. Traffic has been diverted through the Suez Canal because of intensified congestion at Beirut which, in turn, has intensified the demand for Syria's facilities at Latakia and Tartous for the cross-country route to the Gulf.

Port facilities must necessarily take a significant chunk of capital investment apportioned to infrastructure in the region over the next five years. The scale of the expenditure in prospect can be seen from the fact that the $800m. contract awarded for the construction of what will be Iran's biggest integrated port at Bandar Abbas and the $600m. being spent by Saudi Arabia on a new harbour at Dammam.

At the same time, the Arab oil producers and Iran are moving towards fulfilment of their objective of "downstream" participation and gaining "added value" by the transportation of their oil. For the most part they have stuck to the substantial orders placed despite current slump conditions in the tanker business. Nevertheless, it was significant that the Arab Maritime Petroleum Company recently cancelled four VLCCs that were to be built by West German yards and bought smaller ones instead.

However, the entity created by the Organisation of Arab Petroleum Exporting Countries will undoubtedly become an increasingly important element in the international tanker business. The Kuwait Oil Tanker Company has been operating for 10 years and has a considerable addition to its fleet on order which will take its total tonnage to over 2m. d.w.t. With deliveries in prospect and last year's agreement with British Petroleum, the National Iranian Tanker Company is set to make a meaningful impact on world oil transportation while Iraq and Abu Dhabi are also entering the big league of VLCCs. In Saudi Arabia joint venture agreements involving private capital and foreign partners are making up for the Kingdom's late start in this field. Algeria, meanwhile, is concentrating mainly on gas carriers.

Nevertheless, Middle East oil countries, in particular the oil producers, are responsible for a bigger proportion of the global order book for dry cargo vessels—probably in excess of 10 per cent. or more of the total — than tankers. With its declared aim of securing 50 per cent. of the country's trade, the State-owned Compagnie Nationale Algeriénne de Navigation is very much in the forefront here. So, too, has been the bigger Kuwait Shipping Company, already the largest dry cargo concern in the Middle East, whose fleet is to grow from 25 to 47 in the next few years.

All its vessels will be merged into the United Arab Shipping Company, finally created last month by the inter-government agreement involving Kuwait, Saudi Arabia, Iraq, the United Arab Emirates, Bahrain, and Qatar, with a capital of some $1.7bn. Although Iraq is not transferring its existing dry cargo vessels, UASC may have as many as 150 ships afloat by 1985. Despite its shortage of capital Egypt is continuing to expand its fleet. Iran and Iraq are building up their capacity while Libya has announced ambitious plans for a merchant marine.

It must be true to say that the growth of the Middle East's shipping capacity, like its import trade, is outstripping that of the rest of the world.

Gentle expansion of tanker fleets

WHILE THE Middle Eastern nations' intention to move into "down-stream" oil operations is potentially a threat to the interests of oil companies and independent tanker owners alike, their cautious implementation of this policy last year has been a disappointment to many an owner who hoped to find a Middle Eastern purchaser for at least some of his surplus tanker tonnage.

With the number of idle tankers at 500-odd and rising, the Arabs might have been expected to take advantage of the second-hand markets by scooping up a large volume of tonnage at the bargain prices currently available. It is a fact that a number of favourable deals have been made, but generally the Arabs have avoided a rapid expansion of their tanker fleets. Some want to see if tanker prices will fall still further, while all Mideast countries appear aware of the possible constraints on a too rapid growth of their shipping activities. Given that the world tanker surplus will almost certainly depress prices until 1980, and possibly beyond, the Arabs clearly have more time both to build up a fleet operating infrastructure and to develop flag preference arrangements which will almost certainly be used to maximise their advantages as producers.

Forays

Thus the relatively gentle expansion of Arab tanker fleets over the past 12 months. Some of the new acquisitions have been made by judicious forays into the sale and purchase market and others by a rescheduling of new building contracts. During the year the Saudi Arabians paid $6.3m. for the Berge Sigval, a 102,504 d.w.t. vessel which rather surprisingly was not laid up. The Kuwait Oil Tanker Company took advantage of plummeting tanker values to purchase the 1973-built Very Large Crude Carrier (VLCC), Takasaki Maru, for $18m.—roughly $5m. less than the probable cost a few months earlier.

Algeria appeared to do even better in the autumn, picking up the John I. Jacobs' Teakwood for $15m. The estimated cost of this tanker on its completion last July was $25m.

But the world tanker surplus has not worked wholly in the favour of all Arab tanker operators. Those such as the Arab Maritime Petroleum Transport Company, which have new vessels on order, would generally prefer at this time to take advantage of the second-hand market rather than accept delivery of ships ordered when tanker prices were at or near their peak. With evident satisfaction, AMPTC recently announced a partial solution to its problem. This involved the cancellation of two of the four Ultra Large Crude Carriers it has on order from German shipyards. The novel feature of AMPTC's solution was that the company could legitimately claim to have softened the cancellation blow suffered by the German shipbuilders on terms beneficial to the Arab company. In the case of the Bremer Vulcan yard, AMPTC was able to cancel one ULCC while taking delivery of a sister ship built to a Norwegian owner's account. As part of this arrangement the Norwegian will buy two ships from Bremer Vulcan, thus providing on-going work for the yard. "Although AMPTC will also pay Vulcan an agreed cancellation charge, it will in turn benefit from the advantageous price at which the Norwegian owner will be happy to sell to them," was AMPTC's bland summing up of this deal. Similarly, at A.G. Weser AMPTC was able to come to the assistance of a troubled shipbuilder in a move which at the same time clearly profited the Arab company. Here one ULCC was cancelled, and in return AMPTC will purchase a similar tanker built for a company which cancelled before the contract was completed.

AMPTC, which is owned by nine Arab countries, including Algeria, Libya, Egypt, Iraq, Kuwait and Saudi Arabia, has indicated that it is still in the market for more vessels. This was emphasised recently in the statement announcing the German deals. Without a trace of irony Mr. Abdul Rahman Al-Sultan, AMPTC's vice-chairman and managing director, hoped that by purchasing smaller crude carriers or possibly vessels of the LNG or LPG types from owners suffering from the depressed state of the market "AMPTC could render real assistance to those owners and at the same time meet the requirements of the world petroleum market in the future." It goes without saying that the needs of this market could be more than met in the foreseeable future without any changes in the current pattern of ownership. However, the Arabs are determined to take a larger stake in oil transportation.

While they are assessing the long-term implications of this strategy some oil companies and independent owners are looking to joint ventures with Middle Eastern nations as a means of easing their current excess tonnage problems, with the possibility of influencing future developments. Many such ventures have been under discussion and some, including the BP-Iran link-up have actually materialised, but the going has proved tougher than some tanker operators had feared. With 19 tankers totalling 3.8m. d.w.t. on order to Middle East owners, it appears that they will want to digest this tonnage before substantially adding to their fleets either through joint ventures or heavy second-hand purchasing. Some observers see better prospects both for joint arrangements and for Western shipyards in likely Middle Eastern demand for product carriers.

Refinery projects in the Gulf should give birth to a substantial trade between the Middle East and Europe, North America and Japan, and it seems likely that some Middle-East oil producers will seek joint ventures to ship the products when they become available in large quantities.

However, it still remains to be seen to what extent "outsider" participatior oil products transp be circumscribed b preference policie Arab countries are ing their own flags. for example, is draf time law of its AMPTC's fleet is du to sail under this f already has decreed cent. of its direct be transported in it and this has obvi tions for the LNC which will form a n that trade over t years.

Share

However, it is b clear that the Ara decided how much they want to be res transporting over decade. Despite OP in overcoming trad divisions on a rang no clear consens transportation ques emerged beyond agr the producer coun have a larger share ness. A senior exe Kuwait Oil Tanke for example, has as saying that the aim to carry 60 their oil in their ov 1980 But this looks prospect since it w the acquisition of VLCC's over the years. Mr. Al-Sulta on the other hanc cated a more realis 63 vessels aggreg d.w.t.

However, the OI policies which hav the riches underpi time expansion by have also served to major element of about the future operations. Until consumption and t prospects becon "gently does it" is main the major Arab tanker plans.

J
Shipping C

Suez Canal ambitions

WHEN PRESIDENT SADAT reopened the Suez Canal last year the move that offered proof of Egypt's peaceful intentions also brought in revenues of £E75m. (£96.2m.) by the end of the year and should generate £E210m. in much needed foreign currency in 1976.

Since the reopening on June 5, 1975, traffic in the Suez Canal has crept steadily up, faltering in October/November, to to-day's average of 35 ships a day, more than half the figure before closure in 1967. Appropriately a record number was recorded earlier this month at a ceremony marking the start of the first stage of the project to widen and deepen the channel, when Mr. Mashour Ahmed Mashour, chairman of the Suez Canal Authority, announced that 54 ships would transit.

But while numbers climb back towards the heights of 1966 when 240m. tons passed through, European cargo lines have not rushed back except for the Germans. European lines have been sending cargoes through on an ad hoc basis, though Cunard is now sending more vessels through, according to shipping agents in Egypt. The Russians, though, have raced to use the canal.

The nature of vessels in the canal has altered as well, with oil tanker traffic taking second place far behind dry cargo ships. To the disappointment of the Suez Canal Authority the return of tankers has been slow, making up only one-fifth of traffic—a far cry from the two-thirds in the old days.

"The whole situation in world shipping has drastically changed since 1966," said one Egyptian shipping agent. "With a maximum draught of 38 feet the very large crude carriers (VLCCs) cannot get through. Tanker sizes have changed beyond recognition."

The problem is in the hands of Mr. Mashour. When the Canal reopened he had raised dues 90 per cent., which the International Chamber of Shipping pronounced satisfactory. But oil tankers which provided over 70 per cent. of revenue in 1966-67 are slow to return. Passenger ships are thin on the ground, cruises having almost priced themselves from the market. Warships and auto-carriers slip through now and again while container ships are avoiding the Canal, their owners disgruntled at what they consider an unfair 10 per cent. surcharge imposed by the SCA. Commonest users are small dry cargo ships under 10,000 tons.

For Egypt, canal revenues flowing in now are a drop in the ocean compared to the huge investments proposed for development of the Suez Canal zone. Long-term plans for expansion throughout the region will top $9bn. Planners believe the master plan development for Port Said, Ismailia and Suez could cost around $3bn. for each.

Impetus

The political card of reopening the Suez Canal has been played. Economic benefits are building up for the future but the psychological impetus is now totally apparent everywhere along the Suez Canal. The breezy calm of Port Said belies the 300,000 people bursting at the seams of the town in housing for 250,000. Ismailia with 175,000 people back from the refuge of Cairo is also crowded but maintains a more purposeful air, focused on the headquarters of the SCA. Suez, war battered still with Port Tewfiq barely poking from the rubble of the war years, has managed to accommodate 150,000 again so far.

In all three towns, unemployment is rife, with largest numbers working on construction, the key employer. New satellite housing developments are impressively far towards completion. But everywhere the visitor is conscious of the rather triumphant sight of ships gliding silently along the reopened waterway.

Hand in hand with reconstruction of the battered region is the development of free zones, which Egypt is dangling before the much-wooed but so far little seduced foreign investors as a means of bypassing bureaucratic blockages and onerous financial regulations.

Much publicised and little defined the "free zone city" of Port Said has now lurched into operation. Last June a surprise announcement that it would be a "free city" sent experts running from London to see the implication on the work of the British Port Said planning consultants. Definitions and implications were spelled out and Port Said's status was discreetly redefined.

Six customs gates separate the zone from the rest of Egypt. The city is duty free except for alcohol and cigarettes while customs still operate within the harbour and all imports for local use bear 1½-3 per cent. dues.

Goods for Egypt pay no dues but are subject to customs at the external check-points. Inside Port Said three areas have been set aside for immediate free zoning plans, one within the harbour for storage of perfumes, alcohol and cold stores.

Early signs of what will be a thriving smuggling industry are apparent—they were dramtically highlighted in a shoot-out last month between police and a gang in the village of Manzala, near Port Said, in which five died and 23 were injured in a machine-gun battle.

A more serious issue than smuggling is the economic role for the Egyptian economy played by the free zones. Mr. Osman Ahmed Osman, Minister of Housing and Reconstruction, wants the whole zone to go free once the Port Said zone develops successfully. But Mr. Farouk Abdel Fattah, in charge of free zones in Port Said, admits that he is having difficulty getting manufacturers in. He said 18 projects had reached the stage of paid up rental for the Port Said sites but they were all storage activities.

Planners have voice Port Said could bec age and redistribu for the Middle Eas the original objectiv manufacturing and zone.

While free zoni slowly, the wide deepening of the Su already under way. part of work in the which will permit ships of 53 feet drau is contracted to a Jap pany, Penta-Ocean C which has two dredg and a third giant dre on the way. The SC for the work with a loan from Japan's Economic Co-operatic

Mr. Gandi el Hinc of the Canal Shippin Company, believes th be a full public Egypt about long-t development plans. tains, "the econon must be fully exami is the question of No changing world t shipping patterns. will be reduced as refining is done up Arab countries. We at why the VLCCs we to make a floating pip the Gulf to Europe to The Canal reduces th VLCCs so one should their future developn

Michael
Cairo Corr

Red Sea and Gulf congestion

E-UP of ships waiting their cargoes at Red ulf ports has worsened lly in the last six rith delays of 30 days , 80 days at Jeddah nan, and 150 days at in port of Khorram- ie re-opening of the d has increased traffic d Sea ports, and the in the Lebanon port of Beirut, an transit point for he Gulf.

iousness of the prob- rought warnings from led of Saudi Arabia hab of Iran that their development plans g threatened. Present ties simply can't cope surge of imports into Iran's imports have four-fold in the last 18 id a recent study sug- Gulf will emerge as a ding area among the the world, with an el equal to Britain by

lging

0 per cent. of Saudi nports are brought in ts ports, mainly at n the Red Sea and on the Gulf coast. ports will get the ire of the £2.8bn. for port and road nt in the current five- By the end of the ah will have 18 new i Damman 16. The etton Group and International of ecently won a £310m. extend and dredge f Damman. The pro- ves the dredging of metres of earth, the n of a three kilo- kwater and the build- anal to link the port .

ernment is attempting strain off Damman th by building up rts on both coasts. A complex will be built at Jubail, 90 kilometres to the north of Damman. The new port will serve several big industrial projects planned for the area including refineries, a petrochemical complex and a steel mill. Over £500m. will be spent on the project, which involves the building of six deepwater berths, capable of taking ships of up to 25,000 tons, an ore berth, a sulphur berth, six bulk berths and three *berths for liquid and gas* cargoes.

Facilities will also be increased at the Red Sea ports of Jizan and Yenbou, which now ranks as the country's third port. Other plans include linking by road many of the smaller towns in the west with ports on the Red Sea. This should ease congestion at Jeddah and tie in with projects which are being considered for the industrial development of the ports at Yenbou, Al Wajh and Duba. These ports will be connected by the new Red Sea highway now under construction, moving north to Jordan and south to Yemen.

Productivity has been improved by the introduction of shift work to make better use of existing facilities, and mechanical handling of cargo has been increased. Damman is replacing the present *management of the Saudi Railways* with a new port authority, and Jeddah management has been given authority to take whatever action is needed to unclog the port. Port warehousing charges have been increased 400 per cent. to force importers to clear their goods, and a priority system of cargo unloading has been introduced.

Dubai's Port Rashid, which is the largest deep water port in the Gulf, is to be extended by another 22 berths in an £85m. contract won by the Costain-Taylor Woodrow consortium. The Government is also considering the construction of another port at Jebel Ali, 20 kilometres from Port Rashid.

It had been expected that this new port *would* mean the abandoning of expansion plans for Port Rashid, but apparently the Government thinks there will be sufficient traffic for both. Sir William Halcrow and Partners is carrying out a preliminary study of the second port, and is working closely with Sunningdale Oils of Canada which is building a gas liquefaction plant at Jebel Ali and British Smelter Construction which is building an aluminium smelter nearby. Both groups have pressed for a second port which would mainly serve the two projects.

Transit

Doubts have been raised about the wisdom of the smaller Gulf states scrambling to build sophisticated ports without any co-ordinated planning. Alongside Dubai's two ports, three *other Emirates* have plunged into port expansion. Ras Al Khaimah has signed a $40.5m. contract for the first phase of a port project that will be completed by 1977. Further up the coast contractors are building a port at Sharjah, with six deepwater berths and container handling facilities. Expansion at Abu Dhabi's Mina Zayed port involves the construction of 19 additional berths. Bahrain also intends to expand its port at Mina Sulman to cash in on the increasing transit trade to the hinterland.

Iran's port problems almost defy solution. Over 200 ships are waiting to unload about 1m. tons of cargoes at the country's two main ports, Khorramshahr and Bandar Shahpur. Dockers at Khorramshahr are working round the clock and unloading 12,000 tons a day compared with an average of 8,000 tons six *months ago, but the warehouses* have a backlog of 800,000 tons. Congestion is calculated to be costing the country $1bn. a year.

Condotte d'Acque of Italy has won a contract to construct a commercial port and infra structure costing $1bn. at Bandar Abbas. The port will be on the *Straits of Harmuz and* will have 6.5m. kilometres of wharves. Bandar Shahpur will be extended by a further 28 berths, and a $25m. container terminal equipped with a computerised control system is being built in Tehran.

Government officials admit there is little chance of improving productivity in the ports in the near future. They are pinning their hopes on *bringing in more imports on* the road and rail links. Over 7,000 lorries are arriving each month from Europe. Cargo is also coming along the Iran Turkish railway, the Iran Russian railway, and through Pakistan's Karachi port and along the Baluchistan railway to South-Eastern Iran.

But the overland routes are jammed with the burden of imports, and the recent decision by Turkey to raise toll dues has tied up thousands of lorries on the Iran-Turkey customs point at Bazargan. The congestion at the customs points has been worsened since the Shah's drive against profiteering and hoarding. When the Government ruled that prices should be fixed on the basis of the customs invoice plus a percentage of profit, traders who had under-invoiced have left huge amounts of goods at the customs points.

In an attempt to open up the overland route, the Iranian Government has promised Turkey $1.2bn. of credits to improve transport facilities. This includes the construction of a transit highway between the port of Trabzon and Gurbulak, the improvement of the Ankara-Erzurum highway, and the expansion of the port of Trabzon and the Van-Tatawan rail link. *But if these projects aren't* carried out, and the ports can't improve their productivity, Iran's ambitious leap for industrial growth will be severely damaged.

Bruce Barnard
Seatrade

Mediterranean ports

/S that the port of war-torn Lebanon is n will be welcomed g firms operating in Mediterranean. But ected to have little what has become a e of congestion, high and long waiting almost all Mediter- ts in the Middle East Africa.

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eirut remains closed hipments, congestion Cypriot and Gulf tinues to increase. originally bound for s in Jordan and Iraq eing diverted to the rt of Aqaba. A com- il/sea and road/sea he Black Sea port of in Turkey is also as an alternative to rt it is the Mediter- ts in Syria which are e biggest overload t.

ects

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cargoes of over 300 now diverted from here waiting time is ys, to Tartous, where nes range between 35 ys. A port expansion e to double Latakia's around 3.5m. tonnes a year and to raise capacity at Tartous to 5m. tonnes a year is under way but it is not expected to be completed until the end of 1979. The opening of a new 720-kilometre railway line between Latakia and Qamishli in north-eastern Syria in November is expected to help relieve some of the congestion in the meantime. Plans are also under way to link the new line to the Iraqi border town of Husseiba and then to Baghdad, 240 miles south-east of Husseiba.

Expansion

Facilities are also strained at most North African ports along the Mediterranean coast but, by the standards prevailing in the eastern Mediterranean, ports in Morocco and Tunisia are relatively uncongested. The use of more container units at Morocco's big ports, particularly Casablanca, and of lighter barges to facilitate unloading have helped the country to absorb a big rise in imports. These totalled £700m. in the first six months of 1975, 46 per cent. higher than in the same period in 1974. Several big port expansion projects are also planned in anticipation of an even higher increase in imports and to provide for increases in exports, particularly phosphates and citrus fruits. A Romanian firm is building a new port at Nador on the Mediterranean which will serve primarly as an outlet for *iron ore shipments but which* is also expected to absorb some industrial imports. Quay installations and equipment at the port of Tangier are also being replaced to provide modern storage, loading and unloading facilities. Work on building a new 1,350 metre jetty at the port of Casablanca is to begin this year and new ports to handle phosphate exports are planned at Jorf el-Asfar and at Essaouira on the Atlantic coast.

A rigorous Government programme to ease heavy congestion at ports in Algeria has helped relieve the situation somewhat but given the country's massive spending on industrial plant, heavy machinery, building materials and foodstuffs, only a long-term programme to develop the country's port and transport in*frastructure can provide* a permanent solution. A crackdown on the country's public sector companies which found it easier to leave imported materials on the quays or in port warehouses rather than build their own storage facilities began in the autumn of 1974. By last spring about a third of the 180,000 tonnes of merchandise stored at the port of Algiers had been removed. By October 24-hour working schedules were in effect at most of the other ports in Algeria, including Annaba, Mostaganem, Oran and Arzeuw. Customs clearance procedures for the public sector companies have also been relaxed and duty fees reduced. Delivery of the first of 23 electrically-operated dockside cranes being built with equipment provided by Stothert and Pitt has also begun.

The expansion of grain silos at Oran and Annaba plus the supply of new warehouse and lighting equipment to other ports since November illustrates the priority the Government is giving to temporary measures to ease congestion until the bigger infrastructure projects can be completed. *These include the construction* of a massive new port to handle dry cargo, liquefied natural gas and oil, 60 miles west of Algiers. A Dutch firm is designing the plans for the port which, when completed in 1985, is to handle between 6.5m. and 8.5m. tonnes of imports and from 9.5m. to 13m. tonnes of exports a year. This would outstrip Algiers port itself, which is not expected to handle more than 6.5m. tonnes by 1985.

Tunisia is also carrying out major improvements to both its port and transport systems. A network of three ports, with separate facilities for general merchandise, minerals such as phosphates, and oil is under construction at Gabes, the site of a projected new industrial complex. The port of Sfax is also undergoing an expansion programme including the construction of a 220-metre quay and two new wharfs.

Port congestion in Libya is estimated to cost the country some £75m. a year. Surcharges at the port of Tripoli in the west are among the highest in the Middle East. Both Gabes and Sfax in Tunisia are handling some of the overload caused in part by the lack of modern facilities at Tripoli and at Benghazi, Libya's other *major dry cargo port*. The country's big development programme, on which it plans to spend £12bn. over the next five years, is expected to increase congestion even more. Imports required for projects under the last three-year development plan (1973-75) were estimated to have totalled 10m. tons or about £3.3bn. by September.

To handle these imports, the Government is embarked on a massive port building programme. The first stage of the expansion of the Tripoli port and harbour began in 1971 and was due to be completed at the end of last year. A second stage, estimated to cost £100m., will add new breakwaters, quay walls, container berths, and *storage facilities*. Work on constructing new deep-water berths, storage sheds, roads and administration buildings is to begin later this year. The Government hopes that when the expansion work is completed, waiting time at the port will be reduced to around five days. Another major port and harbour project at Benghazi is now out to tender and, when complete, should expand the port's annual capacity from about 1m. tons to more than 4m. tons. A virtually new port is also being built at Ghasr Ahmad, near Misurata, which is to expand capacity from under 500,000 tons to 2.5m. tons a year. Other expansion work is under way at Derna and at Marsa al Brega, the oil port.

Capacity

A major new Mediterranean port *is also* expected to be built in Egypt, at Dakhelia west of Alexandria. It will be part of a new industrial city which is to be built to accommodate the heavy industries Egypt hopes to set up over the next five years with aid from Saudi Arabia and other oil-rich countries. The new port is to be commissioned in 1978 and handling capacity is expected to rise eventually to 20m. tons of freight a year. Handling capacity at Alexandria, the country's main Mediterannean port outside the Suez Canal area, is also to be expanded from its existing 13m. tons a year. While waiting time there is low now—three days or less—it is to be put under strain by the increased imports the country will need for its Five-Year Development Plan (1976-1980), which is expected to involve expenditure of up to £11bn.

Pamela Ann Smith
Middle East Economic Digest

Domestic fleets aim to win dry cargo trade

SINCE THE OPEC oil price rises, the Middle East has developed rapidly into a major market for the world's industrialised oil-dependent nations anxious to offset their spiralling oil import bills by exports of machinery and consumer goods.

Not only are the Arab nations anxious to add to the value of their basic resource by seeking a larger share of oil transportation but they are also aiming to carry a significant proportion of their imported dry bulk goods in vessels belonging to their national fleets.

Exports to the Arab world have jumped dramatically since the end of 1973 and on present trends the Gulf could rank among the top six trading areas of the world by 1980, with an import level equal to the U.K. The massive increase in Arab liquidity following the OPEC price rises immediately sucked a large volume of extra imports into the oil-producing area. For example, imports into the Middle East from the U.K. jumped during the nine months January to September 1974 43.9 per cent. above levels in the 1973 period, America's exports rose 99.7 per cent., goods from Japan increased by 199 per cent., while France and Italy were able to export 44.6 per cent. and 67.5 per cent. respectively more than the year before.

Arab shipping policies are now directed at winning a slice of this booming trade for carriage in domestic fleets. Across the Middle East, from Algeria to Iran, large sums of money are now being committed for the purchase of dry cargo ships. Middle Eastern orders for these vessels now amount to 1m. tons, around 10 per cent. of the world order book.

Delivery

The Arabs have, in fact, put more emphasis on ordering dry cargo ships than oil tankers, and their business has been a welcome boost to shipyards specialising in this type of tonnage. Britain's Govan Shipbuilding, for example, is building 13 multi-purpose dry cargo ships of 23,200 deadweight tons for the Kuwait Shipping Company (KSC). This company has become one of the fastest-growing cargo carriers in the Middle East. Apart from the ships being built at Govan, KSC's 47 ships it is operating, or has on order, include a batch of 15 vessels to be delivered from Hyundai of South Korea at an overall cost for the 23,000 dwt vessels of £65m. This deal raised some eyebrows and was interpreted by some people as an implied criticism of Govan's capabilities. However, it appears that KSC was eager to take quick delivery of these ships so as to capitalise on the trade boom. Govan's order book was too crowded to satisfy KSC's delivery requirements. However, it is unlikely that Govan could have matched Hyundai's price and the net result is an obvious bargain for KSC.

The company pays cash for its ship orders out of capital, cash flow and State loans. In common with other major Middle Eastern national shipping lines it claims that it operates on a purely commercial basis without hidden subsidies. After less than ten years as a shipowner, KSC's growth has been impressive and has clearly confirmed the Kuwaiti Government's enthusiasm for shipping investment. Its policies recently achieved some success with the creation of the Gulf Shipping Company whose nucleus will be provided by 26 KSC ships. Creation of such a shipping company has long been a Kuwaiti objective but its plans have been repeatedly delayed by the reluctance of Qatar to join. However, this has now been overcome and five other States, Qatar, Bahrain, Saudi Arabia, Iraq and the United Arab Emirates have agreed to provide jointly 20 other vessels for the Gulf company's fleet. According to the Kuwait Finance Minister, Mr. Abdel-Rahman al Atiqi, the new company will have a capital value of 500m. Kuwaiti dinars, of which KD180m. will be paid up immediately. Mr. al Atiqi is reported to have said that the new Gulf company will have 100 ships in operation by 1980 and 150 by 1985. Other prospects outlined by Mr. al Atiqi at last month's meeting of Gulf States to set up the new company include the purchase of a range of specialised ships capable of ferrying fully loaded trucks of up to 100 tons each.

Thus, it would appear that Gulf Shipping will be in the market for a substantial number of new vessels over the next three years. At the moment, however, KSC remains one of the Middle East's major purchasers of new ships, although its orders form only about one-quarter of the 85 dry-cargo ships due to be delivered to Arab nations by 1978. Egypt, in fact, has more ships on order, albeit they amount to a smaller tonnage. Among the 38 ships being purchased are a number for the nationalised Egyptian Navigation Company, whose small fleet will soon include several 'tweendecker liner-type motor vessels. Four of these 7,300-dwt ships have been bought from the Okura Trading Company of Tokyo for around $6m. each and are to be built by Kurushima Dockyard for delivery by the end of May. With the reopening of the Suez Canal, the Egyptian Navigation Company reckon to have good prospects for increasing its share of inter-Arab trade. At present it has to charter a lot of tonnage and up to now its most important trade has been to Northern Europe, although a service to the U.S. was started last year. In a further move to ease its shortage of ships, the Egyptian Government has now cleared the way for private interests to set up shipping companies and within a short time of the passage of an enabling decree two private companies were formed.

Egypt has only to look to its west to see in the Compagnie Nationale Algerienne de Navigation (CNAN) a possible model of an established national shipping company with a formidable reputation. A major liner service operator already, CNAN looks likely to be a leading liquefied gas carrier by the early 1980s. In addition, the company is expanding its dry cargo liner fleet in support of the Algerian Government's aim to carry at least 50 per cent. of the nation's seaborne trade. Algeria has signed 50-50 agreements with France, the Soviet Union, East Germany and Bulgaria. CNAN's expansion plans also include more regular liner services to the north Russian ports and later to Brazil, Cuba, the Gulf, Japan and China. This could mean expanding its present fleet of more than 30 ships by at lea[st] ... vessels.

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Growing demand for repair facilities

WITH OR without the reopening of the Suez Canal the development of shiprepairing facilities in the Middle East would have attracted the interest of both local and traditional shiprepairing interests. Unlike shipbuilding, the business of repairing, maintaining and surveying ships is one which shows a relatively quick return on capital and is a useful outlet for the suppliers of marine equipment and material.

The depth of interest in the growing demand for such material is reflected in the new production unit being built by International Marine Paints at Dubai. The company, International Marine Gulf, due to be operational in July, will supply a wide range of coatings for ships docking and undergoing repair in the area.

The whole coastline offered by the Middle East countries has great potential for shiprepair activities and although there are currently 34 shiprepair companies in the area there is at present a shortage of drydocks for very large vessels. By mid-1977 this deficiency will have been made good when the giant shiprepair complex at Bahrain becomes operational. This will be followed by another large undertaking at Dubai with facilities for ultra-large crude carriers, that is vessels of over 250,000 d.w.t.

At the smaller repair yards the expansion has been on a modest scale—with certain exceptions such as the United Arab Shipbuilding Company at Alexandria which recently took delivery of a West German-built floating dock capable of taking vessels of up to 20,000 d.w.t.

At Kuwait the Government-owned shiprepair facility has contracted with Ferrostaal A.G., Essen, for a caisson-type dock with a length of 190 metres and a breadth of 40 metres capable of taking vessels of up to 45,000 d.w.t.

All the major financial investment has been put into the developments for shiprepair at Bahrain and Dubai—with the possibility of further large projects at Bandar Abbas, Bandar Shapar and at the latest site Ajaman in the United Arab Emirates.

Shiprepair facilities at the eastern end of the Mediterranean are concentrated at Alexandria and Haifa, the Egyptian facilities including the Alexandria Shipyard (vessels of up to 85,000 d.w.t.) and the United Arab Shipyard. At Port Said there are the Suez Canal Authority repair slips for vessels of up to about 5,000 d.w.t., the Port Said Engineering Works and the Canal Naval Construction Company with seven small slips.

Benefit

Limited repairs can be made in Israel at Ashdod and at the Israel Shipyards, Haifa, where there are facilities for vessels of up to 20,000 d.w.t. using a floating dock with a 7,000-tonne lift. These yards are already enjoying the benefit of the reopened Suez Canal with the emphasis on the smaller vessels.

Since June 5 last more than 5,000 vessels have passed through the Canal and it can be assumed that many of them have used the maintenance and repair facilities in the area.

As early as 1968 the Organisation of Arab Petroleum Exporting Countries were considering the building of a large drydock facility in the Arabian Gulf for the repair and survey of very large crude carriers and this project became a reality in November, 1974 when work officially started on the site at Bahrain. The vast joint project is the responsibility of the Arab Shipbuilding and Repair Yard (ASRY) and work is now in progress on the 45-hectare site which will provide a drydock 375 metres by 75 metres, capable of taking vessels of up to 450,000 d.w.t. Ideally located relatively close to the major oil loading terminals, the ASRY complex is only a few kilometres from Bahrain international airport with its direct connections to all parts of the world.

A management contract for the operation of ASRY was signed with the successful Portuguese shiprepair company Lisnave and a separate company was formed, Arab Shipbuilding and Repair Yard Marketing Services, based in London, to negotiate contracts. Initial investment in the ASRY project is valued at $200m. but with inflation this figure will be exceeded by the time the facility becomes operational in mid-1977 with a trained work force of 800. Eventually nearly 2,000 men will be employed and ASRY will provide training for Arab nationals wishing to work in the repair yard.

The original report on which the final decision on the drydock was based was the joint work of Sir Alexander Gibb and Profabirl and the subsequent work of reclamation was carried out by Falco Dredging. Work has now started on the civil construction work, the contractor being the Korean company Hyundai. This particular part of the contract is worth in excess of $145m. and the first unit to be completed will be the training centre which will be operational in May this year. During the earlier negotiations some British companies, including Swan Hunter and Vickers were involved as well as the Japanese company of Kawasaki Heavy Industries.

Visitors to the Gulf will know that one of the problems facing companies engaged in heavy engineering are the hot and humid conditions which exist from September until April or May. ASRY proposes to operate a three-shift system and to improve working conditions in the tanks of very large crude carriers by the use of portable air conditioning plants.

Japanese interest in the Gulf area has been sustained and a new joint venture between six Japanese companies and the Government of the State Ajaman (a member of the United Arab Emirates) has resulted in work being started on a new dockyard at Alzora Creek. The dimensions of the first dock are 200m. by 65m., which will make it suitable for semi-submersible oil rigs as well as ships.

Another large and ambitious project now in progress in the Gulf is at Dubai, where a three dock complex is being built by a joint Costain Civil Engineering and Taylor Woodrow International team with Sir William Halcrow and Partners appointed as the Dubai Dry Dock Company's consultants. Two of the drydocks will have dimensions of 415 metres by 74 metres and 415 metres by 66 metres respectively and the third will be 525 metres by 100 metres, but with facilities for dividing it into two docks.

The whole project is valued at nearly £100m. and the money involved is a combination of sterling export finance and Euro-currency roll-over credit. The sterling loan of £62.5m. by Lazard Bros., London, is on behalf of Lloyds Bank and Midland Bank and the U.S.$100m. Eurodollar loan is by Lazard and American Express International Banking Corporation on behalf of a syndicate of 26 banks representing eight countries.

Several smaller new repair facilities are proposed in Iraq and Kuwait. At the latter port a floating dock to take vessels of 45,000 d.w.t. and a slipway for 3,000 tonnes is being provided but it has been suggested that a drydock should be built to take 320,000 tonners.

Operational

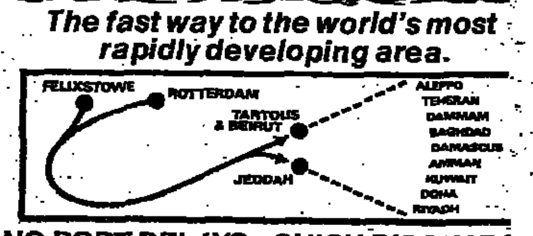
Iraq plans to establish a repair facility at Basra where vessels of up to 6,000 d.w.t. could be drydocked and repaired. In all these developments, however, the critical factor is going to be the availability of trained labour and it is the speed with which training can be accomplished that will determine how soon the new projects will become operational.

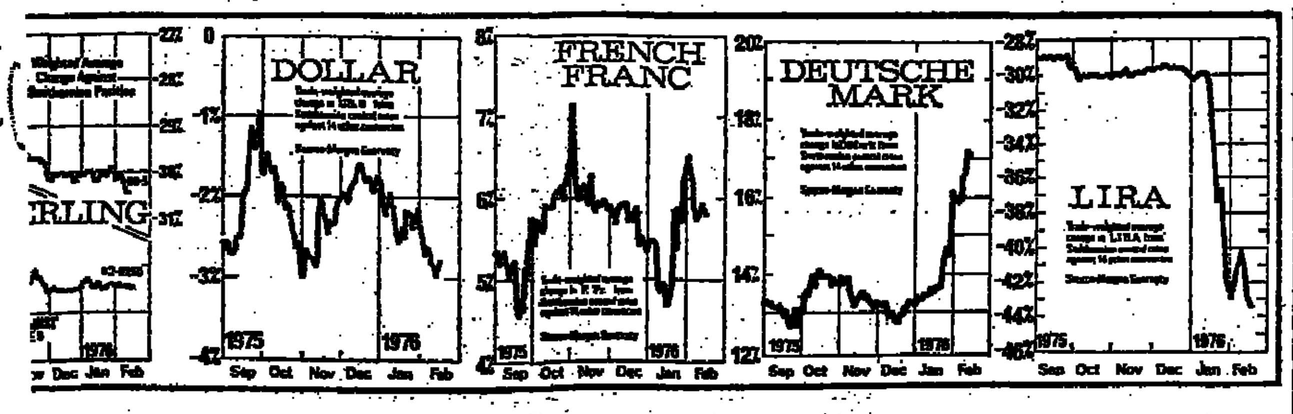
Shipping operations within the Arabian and Persian Gulfs involve ships' crews, spare parts and supplies and in the case of tankers (where under normal market conditions speed is vital) there are special ship-to-shore services which provide the transfer of crews, stores and spares. There are airports in the Persian Gulf at Muscat, Bahrain, Abadan, Sharjah, Dhahran, Kharg Island, Dubai, Kuwait, Bushire, Abu Dhabi, Basrah, Lingah, Doha and Bandar Abbas. The link between the airport and the ships is provided by several organisations such as Kanoo, the Gulf Agency Company and Gray Mackenzie, which arrange repairs, underwater surveys and towage and barge operations as well as the transfer of crews.

Egypt and Saudi Arabia are endowed with the favourable geographical conditions regarded as essential for the building and repair of deep sea and inland waterway vessels. There are many comparatively sheltered areas such as bays, and in some cases lakes, and there are suitable depths of water in the Red Sea and the Persian Gulf.

As trade continues to increase in the area the demand for adequate shiprepair facilities grows and providing the cost of transporting the necessary spares to the area and installing the necessary skills can be controlled then owners may find it advantageous to have work undertaken at mid-voyage—the alternative could be an expensive diversion.

W. D. Ewart,
Editor, Fairplay International





:opean currency revaluation still :ly despite Paris and Bonn denials

I MILLHAM

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the Banque de France to keep its value within the agreed limits.

Major Central Banks have increased their intervention to steady currency fluctuations ever since the Rambouillet agreement in November, and this policy was reinforced last week by an agreement on Joint action by the Banque de France, the West German Bundesbank, the U.S. Federal Reserve and the National Bank of Belgium.

The subsequent easing of pressure on Thursday and Friday, however, was largely because of the closure of New York for a public holiday on Thursday, and in anticipation of the outcome of the Nice summit.

During the periods of the greatest presure on the French franc shorter-period Euro-franc deposit rates have moved up to levels higher than those ruling for Euro-sterling, leaving forward rates on the franc at a discount over forward sterling.

Italian crisis

European curencies have been in a state of unrest ever since the Italian foreign exchange market was closed on January 21 following the resignation of the Italian Government. That country's economic problems led to a sharp reduction in Italy's reserves as the Italian Central Bank attempted to prop up the lira with $528m. support in the first 20 days of this year.

Since the closure of the Italian market, the lira has been effectively devalued by about 12 per cent. and has shown little improvement following the formation of a new Government.

A week ago, the Spanish authorities allowed the peseta to depreciate by 11 per cent. and nervousness in the market caused pressure to build up on the French franc, the Danish krone, the Belgian franc and—to a slight extent — on sterling.

The pound fell to its lowest level ever against major currencies on Thursday, when its trade-weighted depreciation, as calculated by the Bank of England, declined to 30.6 per cent., before closing at 30.5 per cent. Sterling had remained very firm throughout January despite successive cuts in Bank of England Minimum Lending Rate, from 11½ per cent. on December 24 to 10 per cent. on January 30.

A $200m. switch out of sterling by a Middle East oil producer widened the depreciation to 30.2 per cent. however on February 2. And the Bank of England indicated to the London Money market that it would not be happy to see a continued reduction in MLR after a further cut of ¼ per cent. to 9¾ per cent. had contributed to a slight weakening of the pound on February 6.

Belgian francs and Danish krone have received support from the Dutch Central Bank to maintain both currencies within the limits of the joint float agreement between the three countries. The West German authorities also gave support to the Danish currency, which is one of the weakest members of the "snake."

The Bundesbank has also given assistance recently to the U.S. dollar, which has lost ground since the beginning of the year. Its depreciation as calculated by Morgan Guaranty, has widened to 2.78 per cent. from 1.79 per cent.

European Central Banks were reported to have given around $750m. support to the dollar in the first two weeks of January, and the Japanese authorities were forced to abandon their intervention level for the dollar against the yen on February 4. This followed support for the dollar by the Bank of Japan, totalling around $500m. in one week.

Mechanical engineering 6% growth forecast

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

OUTPUT from the mechanical engineering industry should show 6 per cent. growth in 1977 after three years of decline, according to economic advisers and business forecasters Staniland Hall Associates.

Output of the industry is estimated to have fallen by 0.7 per cent. last year and a further 1 per cent. decline is forecast for 1976, but this year should show a gradual recovery.

The forecasters believe that mechanical engineering could achieve another 6 per cent. output increase in 1978. Restrictive measures taken to avoid "overheating" that year will be slow to affect the industry, but, by 1980, growth will have been checked to a 1 per cent. annual rate.

The forecast average 3.5 per cent. a year growth between 1975 and 1980 compares with actual growth of 2.9 per cent. between 1964 and 1974 and 3.8 per cent. between 1963 and 1973. Growth in output will be accompanied by sharp increases in materials and fuel costs.

For example, during 1976 the industry can look for a further increase of up to 20 per cent. in steel prices and 15 per cent. in all materials and fuel.

This latest study from Staniland Hall is one of several short papers on various industries in addition to the Associates' fuller-length industrial studies.

Fears of record unemployment

UNEMPLOYMENT in Britain will "inevitably rise to record levels" during the next 18 months, according to a forecast just published. The London-based Henley Centre for Forecasting predicts that the "psychological barrier" of 1½m. unemployed, excluding school leavers and students, will have been reached before mid-1977.

And both private companies and the public sector will be extremely cautions in recruiting new employees, says the centre in the February issue of "Framework Forecasts for the U.K. Economy, 1976-1981."

Unemployment in the U.K. in January reached 1,473,629 including school leavers, students and the temporarily stopped.

The centre forecasts that the "peak year" of the business cycle will be in 1978 — but even then unemployment will not fall below 850,000.

The centre takes a more optimistic view of company profits. The "green light for growth" is now on, it says. Spending on fixed assets and stocks has been cut back and companies are now in financial balance.

Tax cuts, rising consumer confidence and lower inflation will all stimulate a healthy rise in consumer spending this year and next, pushing up company profits.

THE JOBS COLUMN

JC reader heads INSEAD

BY MICHAEL DIXON

TWENTY-ONE WEEKS ago the Oxford don and notable European, Uwe Kitzinger, read this column. As a result he is to be the new dean of the INSEAD business school in Fontainebleau, France.

There were more than 100 applications. "Finally, nine of us were called to the business school to sing for our supper," says the Oxford political scientist whose long service as Fellow and Investment Bursar of Nuffield College has been interspersed with various other engagements. They include visiting professorships at the universities of the West Indies, Harvard, and Paris, and 30 months until last summer as adviser to Sir Christopher Soames, the external relations vice-president of the EEC in Brussels.

"You're wondering what a political scientist is doing going to head a business school?" Mr. Kitzinger asks, with the air of a man who has thought long and hard about the answer.

"The school already has the big assets of a good faculty of young staff—who are as international as the Board and the student body—and a high reputation. As well as strengthening the school's European links, I think my own contribution may lie in developing additional uses for the assets," Mr. Kitzinger says. "I have no doubt that what is good for INSEAD academically is in the long run good for it financially."

He believes that the words "business administration," which numerous long-established schools include in their title, no longer describe what managers actually do for their living.

"The problems of management have changed. Bodies such as the EEC are having great influence over managers' options, if not always their operations. The public sector is taking on far more importance in economic matters. In addition, motivating people to work together has become an enormously more complicated task. In sum, management is now much more concerned with public as well as private sector activity, and much more political in character itself."

In these circumstances, I would say that the choice of an academically eminent political scientist with high-level experience as a European civil servant as INSEAD's next dean could well prove a very practical aid to the school's future development. After all, even though Uwe Kitzinger has not run a business as such, he has 12 years' experience as the Nuffield College Investment Bursar.

To take the four- to five-year contract from next September at Fontainebleau, he is giving up his life-tenured job as an Oxford don. So the move is by no means a riskless one for him especially since, after a profitable recent past INSEAD, like many other schools of management, is now feeling the pinch.

ANOTHER person — an architect — who read this column has just become a director of the Allied Commercial Construction Group, in Sunningdale. Which is why Neville Hutchinson, the managing director, expects me to help him to find an appropriately experienced sales executive to promote the group's building design-and-construct, and civil engineering activities. Candidates must be able to justify an initial basic salary of at least £5,000. There is a company car, and the recruit is expected to earn a directorship within six months or so. Applications to Jeremy Robson Brown at Kingshill House, Sunningdale, Ascot, Berkshire. Tel. Ascot 25942.

SOMEONE now earning at least £10,000 is wanted as managing director of Ruberoid Building Products, the building materials and supplies company of the Ruberoid Group. Based near London, the newcomer will report to group managing director, D. L. Irwin. Candidates must have successfully developed and run a business operation, preferably in the construction industry. Applications to Mr. Irwin at 1, New Oxford Street, London, WC1A 1PE. Telephane 01-405 8797.

WOODHALL TRUST group wants a manager with demonstrably profit-making talents to join the staff of the managing director of its Hong Kong-based manufacturing and technical services activities. Initial tasks will be to understudy the financial controller and to step in when the general managers and divisional heads of the different territories go on leave. Candidates could be commercially skilled accountants, or mechanically-based people with marketing and accounting knowledge gained on-the-job. Salary around the equivalent of £13,000. Perks include free furnished accommodation, and car. Inquiries to P-E consultant R. Varvill at 14-20 Headfort Place, London, SW1X 7HN. Telephone 01-235 5444.

AN £8,650-£9,800 scale is offered by the Civil Service Commission for an associate professor at the Royal Military College of Science, Shrivenham. The newcomer will set up the new mechanical design teaching branch, lead its six staff, and guide its research work. Good honours degree and appropriate professional or administrative experience are needed; experience of weapon technology an advantage. Inquiries to the CSC at Alencon Link, Basingstoke, Hants RG21 1JB—tel. Basingstoke 68551 or, for answering service, 01-839 1992.

PER is looking for a qualified and experienced roads engineer to join the NASR Arabian Company and take responsibility for constructing asphalt roads in Oman. Overseas contract-work experience desired. Salary £7,000 local tax free. Car and free accommodation. Telephone Jim Mycock at 01-235 7030, extension 38.

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Conversion factor

††BANKS AND HIRE PURCHASE

Dividends Paid		Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's	P/E
Aug.	Mar.	Alexanders D. £1	230	26.1	11.67	—	7.8	—
May	Aug.	Algemene Fl. 100.	£109	12.8	Qb20%	1.8	3.3	16.9
Oct.	June	Allen Harvey £1	475	8.9	†13.5	—	4.4	—
Dec.	June	Allied Irish	118	3.11	Q25%	—	5.3	—
April		Anglo Contnl	50	373	—	—	—	20.1
Jan.	July	Arbuthnot L. £1	195xd	9.2	†7.61	—	6.0	—
July	Jan.	Aust. & N.Z. £1	405	12.12	9.7	—	3.7	—
F.My.Ag.Nv.		BankAmer $3.125	£39	9.7	Q$1.56	—	1.9	—
April		Bk. Hapoalim I£1	32¾	1.4	Q12½%	—	2.7	—
July	Jan.	Bk. Ireland £1	350	3.11	Qb16%	—	4.6	—
Mar.	Sept.	Do. 10pc Cv. 91/96.	£142	11.8	Q10%	—	F7.2	—
Sept.	April	Bk. Leumi AI £1	22	3.4	Q16%	—	6.4	—
Aug.	Feb.	Bk. Leumi (UK) £1	220	26.1	7.25	—	5.1	—
June	Dec.	Bk. N.S.W. $A2	680	12.12	Q28c	—	2.3	—
Oct.	May	Bank Scotland £1.	300	6.10	†8.31	3.5	4.3	10.2
AP.Jy.O.JA.		Bankers N.Y. $10	£27½	23.9	Q$3.00	—	5.2	—
Aug.	Apr.	Barclays £1	312	11.8	†8.29	4.2	4.1	9.0
Dec.	July	Bates (Edward)	42	674	—	—	—	—
Jan.	July	Brown Shipley £1	175	1.12	g7.54	—	6.6	—
Jan.	July	Cater Ryder £1	273	17.11	14.40	—	8.1	—
Mar.	Oct.	Cedar Hldgs. 20p.	13	1073	B—	—	—	—
Jan.	June	Clive Dis'nt 20p	72	12.1	t3.4	—	7.3	—
Feb.	Sept.	Com'l Aus. ($A1)	280	22.9	Q14%	—	2.9	—
May		Com'zbk DM104	£13⅛	19.5	Q17%	—	2.3	—
March		C'hgn Hbk Kr100	£27	7.3	Q11%	—	3.3	—
Jan.	May	Corinthian 10p	10	574	—	—	—	—
June		Cred. France F75.	£30	—	Q9.7%	—	2.6	—
Jan.	Apr.	Dawes (G. R.)	77	20.10	5.25	2.9	10.5	5.1
Mar.	Nov.	Downay Day	21	1174	0.5	—	3.8	—

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Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

Oct.	Apr.	Hall-Thermot'k	88xd	9.2	2.84	3.3	5.0	9.2
Mar.	Sept.	Hallite 50p	79	26.1	5.25	2.5	10.2	6.1
Mar.	Oct.	Hamps'n Inds. 5p	11	28.7	db0.62	2.3	8.7	7.5
Jan.	July	Hartle Mach.	33½	8.9	3	3.2	10.8	4.4
Jan.	June	Hawker Sid £1	408	3.11	†12.26	4.5	4.6	7.4
Dec.	July	Head Wrightson	42	17.11	t2.6	3.0	9.5	12.2
Oct.	Apr.	Hill & Smith	85	8.9	4.0	ϕ	6.3	ϕ
Nov.	Apr.	Hopkinsons 50p	67	3.11	4.12	1.1	9.5	15.0
Nov.	Mar.	Howard Mach.	45xd	9.2	2.03	ϕ	6.9	ϕ
May	Oct.	Howden Group	84	8.9	4.47	1.9	8.2	10.0

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS & CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Misc.)

[illegible]

هكذا اصم الأصل

هكذا أصل الأصل

INDUSTRIALS—Continued

††INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Trusts, Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

Dividends Paid		Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
—		Botswana RST P2	58	—	—	—	—
June	Dec.	Messina R0.50	270	1.12	Q35c	1.9	7.2

MISCELLANEOUS

Dividends Paid		Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
—		Burma Mine 17½p	9	19.5	m0.5	—	1.5
—		Charterhall 5p	29	3.57	—	—	—
Aug.	Feb.	Cons. Murch. 10c	800	12.12	Q80c	♦	5.5
—	—	Laurasia	39½	—	—	—	—
July		Northgate C$1	385	27.3	tQ25c	1.8	3.6
Jan.	June	R.T.Z.	192	17.11	g5.51	4.4	4.4
—		Sabina Inds. C$1	105	—	—	—	—
—		Stanford Mines‖	45	—	—	—	—
—		Tara Expln. $1	£11	—	—	—	—
—	—	Yukon Cons. C$1	110	11.65	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 25 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and *allow for value of declared distributions and rights.* Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ♦ Figures or report awaited.
- †† *Banks and Insurance: reserve allocations may preclude* calculation of dividend cover.
- ‖ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ☨ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. *r Australian currency. s Dividend and yield exclude* a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 17

FINANCIAL TIMES

Monday February 16 1976

Tenneco admits making foreign 'payments'

BY DAVID BELL

WASHINGTON, Feb. 15.

TENNECO, a large U.S. company with extensive oil, chemical and natural gas interests, has become the latest American concern to release details of what it calls "apparently improper practices" over the past few years.

The company voluntarily submitted details of various "sensitive payments"—at home and abroad—to the Securities and Exchange Commission, but declined to say in which countries these payments have been made.

This latest corporate disclosure comes after the resignation on Friday of two of Lockheed's top executives after the company's admission that it paid bribes in several overseas countries in the past 15 years.

At least 50 large U.S. companies have admitted making payments—not all of them illegal—amounting to about $350m.

The commission said it may not insist that other companies disclose in which countries they have been operating, if they submit details of their actions voluntarily.

Dangerous

Tenneco said that last March it reviewed its foreign payments and concluded that they were proper, but recently it ordered its lawyers to re-assess them "because of the publicity surrounding the new and emerging concept of 'sensitive payments' and the concern expressed by various Commission representatives."

According to the company's statement filed with the Commission, Tenneco paid $500,000 to the armed forces in an unnamed foreign country to "protect employees working in remote and dangerous locations" and for the rental of aircraft and equipment.

The company also said that between 1970 and 1975 it paid $12m. to agents and consultants in about 24 foreign countries and still owes them a further $12m.

It said that all these payments appeared to have been perfectly legal "but in some cases, the payments are made to the consultant or nominee outside his country of residence and verification of the use of the payments is not always feasible."

Tenneco said that payments worth only about $10,480 might have been improperly described in the company's accounts and these were being adjusted accordingly.

Inside the U.S. it had maintained a fund, partly financed by "voluntary donations by senior executives," which had on occasion made contributions to local politicians and chairmen of utility companies.

On one occasion, money had been paid to a judge, who later decided a case in the company's favour.

Tenneco said that in many cases it had understood that "the money was given in turn by the recipients to various charitable projects of their choice."

Tenneco has substantial interests in Britain, operated through Tenneco International Inc., the main one being a 49.8 holding in the Albright and Wilson chemical giant.

Subsidiaries of Tenneco International in the U.K. include David Brown Tractors, Globe Petroleum Sales, Tenneco Organics, Tenneco Malros, J. I. Case Company and Tenneco-Walker (U.K.). Last November it absorbed the motor component manufacturer, Harmo Industries.

First planning pact expected next month

BY ADRIAN HAMILTON

THE DEPARTMENT of Industry is expected to announce the signing of the first planning agreement with British Leyland or possibly Chrysler—early next month.

Reaction from the other companies approached has been mixed, with a surprisingly encouraging response from groups in the process plant and some other sectors particularly dependent on public sector contracts.

There has been a less favourable reaction, however, from some other groups, such as petro-chemical companies, which feel that the agreements could prove to be a useless encumberance on their normal investment and commercial planning.

Talks over the three months since the Government first picked out a number of sectors to tackle have shown just how far the Government has watered down the original concept of planning agreements to get over industry's suspicions that they might turn out to be the thin end of the wedge of the corporate state.

The biggest single change is the dropping of the idea of a formal planning agreement or written code of practice as such.

In its place, the Department of Industry is now prepared to accept the concept of "an understanding" with companies in which little is formalised in documents and in which companies do not have to open all their books.

At the same time, the idea of detailed disclosure and formal agreement with the unions has now been changed to a concept of more limited disclosure based on discussions at plant level with shop stewards rather than at national level.

The reversal seems to be as much in response to union fears of inter-union rivalry that might result as to industry's fears of the use to which full disclosure might bring.

The planning agreement approach has also moved from one of tackling the country's largest companies to one of tackling the main companies in individual sectors — at present mainly motors, food manufacturing, process plant and petrochemicals.

This again follows complaints from industry about the confusion that might result from tackling several different areas of a company's business as one whole.

The watering down of the original concept of planning agreements as a means of exercising Government influence over company investment, making large corporations more accountable to Government and accelerating union participation at Board level, is likely to arouse strong protest from the Left wing of the Labour Party.

But it is consistent with the view of Mr. Eric Varley, Industry Secretary, and his officials, that planning agreements should be developed as only one part of the Government's industrial policy of encouraging a more constructive dialogue between industry, Government and the unions in a step-by-step development.

Any thought that Government assistance should be used as a weapon to force companies into the agreements has been dropped and the present approach is one of "softly-softly."

In spite of the relatively encouraging response from some companies, including some major process plant groups, those favouring the signing of an agreement still tend to be limited to concerns most dependent on Government assistance or State purchase of their goods.

International companies and those industries who are not dependent on a close relationship with the State remain, at best, highly cynical about the whole exercise

THE LEX COLUMN

A new look at bank ratios

This spring, for the first time, the big clearing banks will be taking along their annual accounts and holding individual discussions with the Bank of England. So far the Bank has remained enigmatic over its detailed interpretation of last year's statement—agreed with the clearing banks—on capital and liquidity adequacy. Lloyds decided to make a rights issue because it could see it was getting out of line with the published free capital ratios in the rest of the sector, not because the Bank of England had indicated that any particular ratio would be more appropriate.

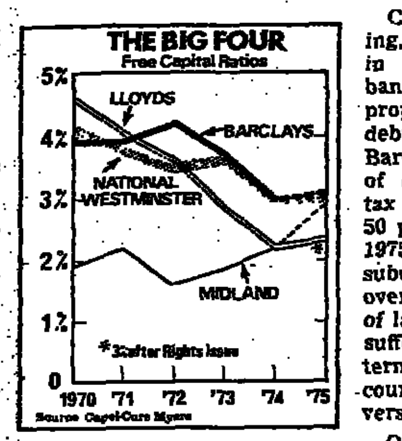
The Bank would never, of course, try to enforce sudden adjustments by the whole sector to any target level of capitalisation. But the clearers will be trying to prise out the Bank's general thoughts on ratios, and in particular its views on what proportion of their investment in premises can be counted as part of free capital. For the moment all that is known is that this proportion will vary between individual banks according to their ownership of small, marketable branches.

The clearers will also be keen to discuss various aspects of profitability with the Bank of England, especially the need for retentions and the impact of inflation. Part of the object of the joint statement—published in the September Bank of England Bulletin—was to create "a reasoned and generally accepted framework" in which discussion of bank profits and retentions could take place.

Monetary losses

The banks are anxious not to repeat their mistake of failing to put their case to the Sandilands committee, which ignored the requirements of financial companies. They have installed a representative—from Barclays—on the working party which is studying the treatment of monetary assets and liabilities, on behalf of the Morpeth Steering Group. They will be keen to gain tax relief on that part of their profits which is required to maintain the real value of their free capital base. But this might require the reserving of a large part of profits, and sharp reduction in earnings and dividend cover in the same way that current cost accounting reduces average industrial company profits by more than half.

In fact the past year is likely to have seen some marginal improvement in the Big Four's free capital ratios—defined as the capital resources, less the book value of the infrastructure, as a proportion of deposits. Growth of deposits has been comparatively slow—on average well under 10 per cent., despite the relative buoyancy of foreign currency liabilites—and Midland, reducing its substantial wholesale market activities, may show scarcely any increase at all. Moreover Midland, Lloyds and Barclays have all had equity or loan stock issues. The balance sheets are likely to



show all four clustered near 3 per cent.

The Bank of England's calculation, however, will be more favourable than this. It will count in provisions against advances, whether general provisions (possibly some 1½ per cent. of advances) specific provisions or rolled up interest in suspense accounts. All this would come to over 1 per cent. of deposits. As for premises, typically around 3 per cent. of deposits for a clearing bank, counting a quarter of the value as free capital would be worth 0.75 points to the ratio, while a one-half allowance would raise it by 1½ points. So the "Bank basis" free capital ratio is likely to work out at something over 5 per cent. on average for the Big Four.

The question is how these ratios will relate to any concessions which the clearers (and presumably other banks) will seek on inflation accounting. The need for additions to capital at times of rising deposits is obvious enough; assuming a fairly modest rise of £5bn. or 11 per cent. in the Big Four's deposits this year, a rise in free capital of £250m. would be required to maintain a 5 per cent. ratio. The part relating to premises could, perhaps, be regarded as being provided by long te... tion of property would leave £20... which, the banks should be provide... free profits (the p... lating to undisclos... could, perhaps, be t... accounts as an addition to the b... serves). For aggregate pre-tax likely to have b... £430m. for 1975.

Loan capital

Conventional infl... ing, however, is ra... in its impact on banks, because of proportions of debt in their capital... Barclays, with a h... of equity, would... tax profit reductio... 50 per cent. on a C... 1975, whereas Mi... subordinated loan... over half its free c... of last year's rights... suffer only a small... terms of potential... course, the positi... versed.

One answer migh... banks tax relief on which would allo... maintain, through target free capital unchanged real leve... —that is, adjusti... general rate of in... return, the banks m... treat this part of p... distributable.

But this would re... decisions on balance... which the Bank of... so far seemed unwil... Moreover such a... have proved onero... year in which t... rate reached 25 per... on the basis of a published free capi... Big Four would h... reserve over £300m... their apparently dividend cover.

Fortunately, 197... exceptional year,... case the future treatment of bankir... very much in the... speculation. For th... it does not look as th... NatWest or Barclay... any great pressure... Lloyds down the r... road. And the yield o... sector is very little return on the All... clearers having los... tive strength they sh... early weeks of the...

Overtime ban call splits miners

By Lorelies Olslager
Labour Staff

A DEEP SPLIT in the National Union of Mineworkers over the proposed national overtime ban became apparent over the week-end as a number of moderate regions decided not to abide by the union executive's decision.

The votes, particularly in the important Nottinghamshire region, are expected to strengthen calls for a special executive meeting this week to reconsider the decision, taken with an 11—10 majority on Thursday.

The decision on whether to reconvene the executive rests with Mr. Joe Gormley, the NUM's moderate president, who is strongly opposed to the ban.

Theoretically, the ban comes into effect to-day, but any results will not be felt until next Monday because little overtime is worked during the week. On the other hand, much essential maintenance and safety work is carried out at week-ends on overtime.

Decision to-day

After initial strong endorsement of the ban by a number of militant regions on Friday, the moderates appeared to be in a majority over the week-end.

On Saturday, delegates from 33 Nottinghamshire branches voted 155—105 to continue normal working. The area president, Mr. Len Clarke, a leading moderate, said that the Left had walked into a trap of its own making by insisting that the only vote which could be taken was on whether or not to support the executive decision.

Seven of the eight North Staffordshire pits decided yesterday not to abide by the ban. The eighth is leaving a decision until to-day. There will be branch votes in South Derbyshire to-day after the area executive described the ban as "nonsensical and ridiculous" over the week-end.

Miners in the North-West, on the other hand, decided to support the ban and in South Wales lodge and pithead meetings supported an area conference decision taken on Friday to join in.

Mr. Charles Churm, the outspoken moderate secretary of the Sharlston Colliery in Yorkshire, said yesterday that the ban was merely a prelude to a complete stoppage in a few weeks' time.

Shell-Esso holds gas supply talks with Dow Chemical

BY RAY DAFTER, ENERGY CORRESPONDENT

DOW CHEMICAL COMPANY is believed to be negotiating with the Shell/Esso offshore group for the supply of gas to feed a new chemical complex—costing over £100m.—in Scotland.

The American chemical group said yesterday that it was evaluating an ethylene plant based on ethane raw material from an offshore field. It is thought in the oil industry that the source would be Shell/Esso's Brent Field.

Mr. C. Benson Branch, Dow's president, said that the expansion must be considered a "possible" rather than a "probable" development at the moment.

"At this stage, we still do not know the price of the gas or where it is going. This must be decided before we can commit ourselves."

Dow, which invested about £100m. in Europe and the Middle East as a whole last year, favours the ethane route for its ethylene manufacturing process—most of its U.S. plants are based on gas feedstocks.

The group's European operations are largely based on naphtha, however; about 3m. tons of the oil-based product is used annually.

Next round

Consequently, Dow considered following the lead of ICI and other chemical companies and becoming involved in offshore exploration in the North Sea.

Mr. Branch said that uncertainties about Government participation and depletion policies meant that Dow would not be taking part in the next round of exploration licences, due this year.

"We did not take part in the last round because we did not know the rules. As far as I can see, we still don't," he said at the company's European headquarters in Switzerland.

Dow was unsure about the control it would be allowed over any oil or gas it might find. "If we cannot control where the products go we are not interested.

"We would not necessarily be out to make money: our aim would be to secure raw materials for our plants."

With this in mind, Dow has been negotiating with Saudi Arabian authorities to build a petrochemical complex costing some £500m. or more. As part of the deal, thought to be imminent, Dow would be guaranteed supplies of feedstock.

Raw materials

ICI, which has secured between 20 and 25 per cent. of its future oil and petrochemicals raw materials through its stake in the Ninian Field, has added to its security by agreeing to buy the oil available to the Thomson group from its interests in the big Piper Field.

Thomson has a one-fifth stake in the field which has estimated recoverable reserves of some 642m. barrels.

ICI, according to a week-end circular to Thomson shareholders, will purchase its net share of the Piper crude "at the full going market price for comparable crude."

With other such agreements and oil and gas from its own offshore ventures, it is likely that, within a few years, ICI will be able to meet between half and two-thirds of its U.K. requirements from the North Sea.

Reduced manufacturing activity in the chemical industry over the last 12 to 18 months has eased the pressure on raw materials demands. The U.K. market for naphtha last year, for instance, was down 35.6 per cent. on 1974.

There are signs that the recovery, first experienced in the U.S., is gathering momentum. Dow is predicting that this year will be a good year for the company.

In spite of the recession, the group increased its net income to $616m. last year, against $557m. in 1974.

The group was also able to maintain its labour force—fewer than 100 of a world workforce of more than 52,000 were made redundant as a result of the economic recession.

P & O profit 'down'—but lower dividend unlikely

BY MARGARET REID

P & O, the shipping group, is expected to announce profits this week which because of the world shipping slump, are lower than previously forecast, but which should still be adequate to avert any dividend cut.

Since June last year, when pre-tax profits of £34m. were predicted for the 15 months to December, against record profits of £48m. in the year 1973-74, the international shipping climate has darkened.

Now best indications are that the comparable outcome for the 15 months, before special items, was rather below £30m., after taking credit for profits on ship sales, mostly dating from 1974.

However, another factor to be allowed for is that P & O has a large stake in the recently troubled property market, both from its own past activities and through its 1974 take-over of the Bovis building group. Additional provisions knocking several million pounds more off the profit figure appear likely against the property holdings, valued at £198m. in September 1974.

All the evidence suggests that the group's worst troubles in 1974-75 have come chiefly on the passenger shipping side, where the world recession has coincided with the 15-month period including two slack October-December quarters.

Certainly P & O has cut its passenger activities. The Arcadia has been among three vessels sold. The likelihood must be that, compared with earlier City estimates of a break-even position, the passenger side will have incurred a substantial loss.

While not immune from the storms which have assailed smaller tanker groups in the short-term market, P & O has been considerably protected from the recent slump by long-term charters for its tankers and some bulk-carriers.

Even so, the past months do not appear to have been particularly cheerful for the bulk-carrier side, where much of the company's investment is in joint ventures, notably through Anglo Nordic Shipping, owned together with interests including those associated with the Norwegian shipowner Mr. Hilmar Reksten.

While P & O's bulk-carrier interests seem likely to have been slimmer, its general cargo side appears to have fared well.

There are encouraging signs on the building side of Bovis, which was acquired in a rescue bid in 1974 when its Twentieth Century banking side had been knocked by the secondary banking crisis.

Twentieth Century should now be managing with considerably reduced bank loans, perhaps rather over £20m. against a peak £35m.

There have been several indications lately that in the present overcast atmosphere P & O is following a defensive policy of selling off a number of peripheral interests.

Last week brought news of an impending £3.7m. deal for the sale of the stake in Cathay Holdings, which controls the Asian airline Cathay Airways.

There have also been signs that the group has disposed of some substantial properties in Paris, perhaps of a value exceeding £20m., incurring losses thereby.

Continued from Page 1

Booker

It has expanded its sugar machinery engineering business, and has developed a wholesale and retail stores business in the U.K.

It has also avoided putting new capital into Guyana, except on the basis of internally generated funds.

Our Georgetown correspondent adds: It is almost certain that the Booker assets will be vested in the State on May 26, the tenth anniversary of the country's independence from Britain. However, there is marked absence so far of the acrimony which surrounded the nationalisation of the Jessel holdings last May.

The take-over will give the Burnham Government almost complete ownership of the Guyanese economy, with only a few trading and insurance companies and six commercial banks reflecting foreign presence in the economy.

New attack on Teng is sign of power struggle in China

BY COLINA MacDOUGALL

A POWER STRUGGLE in China over the succession to Premier Chou En-Lai and, perhaps, the much more fundamental question of policy appears to have intensified.

The campaign so far seems directed only at Vice-Premier Teng Hsiao-ping. But if he should disappear from political life, his supporters, who are probably among the more experienced and pragmatic officials, are bound to be targets as well.

Fresh criticism of "capitalist roaders" in last Friday's People's Daily and reports of posters at Futan University in Shanghai apparently alluding to Mr. Teng as China's "second Khrushchev" (the gravest charge made against the 71-year-old Vice-Premier) indicate that the campaign against him is gathering speed.

Outside China, Teng was widely expected to succeed to the Premiership until Hua Kuo-Feng was announced as Acting Premier ten days ago. Hua's surprise appointment coincided with the first attack in the People's Daily on "capitalist roaders" and the opening of the poster campaign in Peking and Shanghai.

Until the cultural revolution, Mr. Teng was closely associated with Liu Shao-Chi, formerly Head of State, who was also frequently attacked as "China's Khrushchev," a nickname earned for his supposed advocacy of revisionism.

Both were condemned as "capitalist roaders" but Mr. Teng made a political recovery and re-appeared in the Chinese leadership in 1973.

A Reuter report from Peking says that buses ferried hundreds of people to Futan University to read criticism clearly aimed at Mr. Teng and ordinary Chinese were being allowed onto the campus without passes.

Quoting sources in the Chinese capital it added that one poster contained a vaguely-worded charge that Mr. Teng went against Chairman Mao Tse-Tung's line that the party should lead the army.

It is still not clear how far the present campaign is likely to go, but Mr. Teng has not been reported in public since the late Premier Chou En-lai's funeral.

Continued from Page 1

Iran oil

had been 1.17m. barrels a day below the agreed level of 4.97m. barrels. Consequently, oil revenue had been $3bn. less than anticipated.

In addition, the companies have been attacked by the Iranian Press for failing to carry out investments worth $150m.

Behind this controversy is an attempt by the consortium companies to re-negotiate the terms of the 1973 agreement. Although both sides have refrained from public comment it is thought that negotiations are to be started shortly.

These should cover the spectrum of outstanding problems: it is understood that Iran has said it is willing to alter the 1973 sales and purchase agreement, review prices and look more realistically at the amount of liftings from the Abadan refinery. In the meantime, Iran has deferred the consortium's obligation to put up 40 per cent. of the planned 1976 capital investment.

Weather

U.K. TO-DAY

COLD and dry with bright periods and night frost.

London, E. Anglia, Southern England, North England, the Midlands, Wales, Lakes

Night frost and fog patches at first. Dry with sunny periods. Wind light. Max. 4C (39F).

Channel Isles, S.W. England

Fog patches at first. Dry with sunny periods. Max. 4C (39F).

N.E. England, Borders, Isle of Man, S.W. Scotland, N. Ireland

Frost at first. Dry with sunny periods. Max. 4C (39F).

Edinburgh, Dundee, Aberdeen, Highlands

Frost at first. Dry with sunny periods. Wind becoming fresh. Max. 3C (37F).

N. Scotland, Orkney, Shetland

Widespread frost. Sunny periods with rain later and strong winds. Max. 5C (41F).

Outlook: Dry, cold and frosty.

Lighting-up: London 17.45, Manchester 17.49, Glasgow 17.50, Belfast 18.01.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Amstrdm.	C	0	32	Madrid	S	8	46
Athens	S	16	61	Manchstr.	R	3	38
Bahrain	S	22	72	Melbourne	F	21	70
Barcelona	S	6	43	Mexico C.	S	20	68
Belfast	S	7	45	Milan	C	6	43
Belgrade	F	5	41	Montreal	C	−4	25
Berlin	Sn	−3	27	Moscow	S	−8	18
Birmghm.	Sn	3	37	Munich	Sn	−2	28
Bristol	C	3	37	Newcastle	C	3	37
Brussels	C	−1	30	New York	C	5	41
Budapest	C	5	41	Oslo	Sn	−2	28
B. Aires	S	28	82	Paris	C	0	32
Cairo	S	19	66	Perth	F	36	97
Cardiff	C	3	37	Reykjavik	C	1	34
Cologne	F	0	32	Rio de J'o	S	32	90
Copnhgn.	Sn	−3	27	Rome	R	10	50
Dublin	S	8	46	Singapore	S	32	90
Edinb'rgh	C	5	41	Stockholm	S	−5	23
Frankfurt	C	−2	28	Strasb'rg	C	0	32
Geneva	C	2	36	Sydney	S	26	79
Glasgow	C	7	45	Tehran	C	3	38
Helsinki	C	−7	19	Tel Aviv	S	17	63
Hong Kong	S	24	75	Tokyo	S	12	54
Jo'burg	S	26	79	Toronto	R	−2	28
Lisbon	S	12	54	Vienna	R	2	36
London	C	4	39	Warsaw	C	−1	30
Luxemb'g	C	−3	27	Zurich	C	1	34

HOLIDAY RESORTS

Ajaccio	R	10	50	Jersey	C	6	43
Algiers	C	10	50	Las Plms.	F	18	64
Biarritz	C	4	39	Locarno	C	8	46
Blackpool	R	3	37	Majorca	R	5	41
Bordeaux	C	3	37	Malaga	S	17	63
Boulogne	S	1	34	Malta	F	17	63
Casablnca.	C	15	59	Nairobi	S	25	77
Cape Town	S	26	79	Naples	F	13	55
Corfu	C	16	61	Nice	F	12	54
Dubrovnik	C	11	52	Oporto	S	12	54
Faro	S	14	57	Rhodes	C	13	55
Funchal	C	15	59	Salzburg	Sn	0	32
Gibraltar	F	15	59	Tangier	C	13	55
Guernsey	C	5	41	Tenerife	R	11	52
Innsbruck	C	1	34	Tunis	C	15	59
Inverness	S	8	46	Valencia	S	13	55
Isle of Man	F	7	45	Venice	R	7	45
Istanbul	F	13	55				

S—Sunny. F—Fair. C—Cloudy. R—Rain. Sn—Snow.

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